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HIGHER RATES NECESSARY IF FREIGHT MOVEMENT IS TO BE MAINTAINED

Chairman Smithers, of G.T.R., Says That Efficiency and Credit of Railways is Seriously Menaced.

RAILWAY COMMISSION WARMLY CRITICIZED

Mr. Smithers Demands To Know By What Right The Board Delays In Allowing The Roads A Living Income—The Financial Post Sees A Possible Motive.

IN view of the situation into which the Grand Trunk Railway is being placed, with profits rapidly shrinking—despite the fact that gross earnings are the largest in the company's history—and in view also of the Railway Commission's inaction in regard to increased freight rates, THE FINANCIAL POST believes that the Commission lays itself open to the charge of allowing the Grand Trunk to be forced into difficulties in order that its purchase might possibly be more easily effected in the future. By such means the government system might be extended by a purchase at a figure below the normal market. Such a course would be rendered less difficult by the fact that the Canadian Pacific is still showing substantial profits and is *not in* actual need of higher rates, while the Canadian Northern as a government road could be allowed to shoulder heavy losses in the meantime.

The foregoing theory of the Ottawa attitude towards the rate increase finds support in the fact that a somewhat similar course was apparently followed in Ontario by Sir Adam Beck and the Hydro Commission in crushing out private competition. Further, straws which show the way the political winds blow indicate that the success of Sir Adam in securing domination over the voting public in Ontario has been an influence in securing Ottawa converts to the public ownership policy.

In his position as Chairman of the board of the Grand Trunk system—the connecting link between the investors of millions of British capital and the administration of the property which it represents—there is no man better able to speak of the relations between Canadian railways and capital and the whole attitude of the British investor towards Canada than Alfred W. Smithers. On the occasion of his visit to Toronto this week, after a tour of the company's system, he discussed fully with THE FINANCIAL POST matters bearing upon the Grand Trunk, and upon the Canadian transportation and investment situation generally.

For an hour this constructive financier, who has been responsible for the placing of millions by the hundred in Canadian enterprises, spoke in most serious language of the situation not only in relation to the system in the building of which he has played such a large part but from a knowledge of the attitude of the British investor whose funds have done so much for Canadian development in the past and may again be required in the future.

With costs of operation reaching proportions which are slowly smothering net profits, with a dire need for heavy expenditures and the capital required therefor being discouraged beyond reasonable reach, the railroads in Canada are approaching a crisis. The problem of the Canadian Northern, the passing of the Grand Trunk dividend and the decline in C. P. R. stock to the level of the 1907 panic are but recent indications of the trend of events. The problems of the Grand Trunk are to-day paramount. This system is finding that the largest gross revenues in its history are vanishing in rising operating costs. Then hanging over all is the failure of the Railway Commission to grant an increase in rates and the sinister influence of the government's public ownership policy with its probability of discriminatory competition against the Grand Trunk and reflection upon the credit standing of the railroad and Canada in the eyes of the British investor.

Outlook Grave for Capital.

Mr. Smithers argues strongly in favor of the increase in freight rates which has been asked by the Canadian railways and uses no uncertain language in referring to the lack of consideration from the Railway Commission. The position of the Grand Trunk is particularly acute. In fact from a study of the company's recent earning reports the conclusion may be drawn that, with the increasing costs of materials and the advances in wages announced during the past few days, net earnings may continue to contract until it will become a problem to meet operating charges—unless there is some relief offered by the Railway Commission. Speaking of the attitude of the Commission, Mr. Smithers demanded by what right that body should delay taking action which, although it would be very far from doing away with the heavy losses being sustained, would still in some degree mitigate the severity of the position.

"I would respectfully ask the Chairman of the Railway Commission and his colleagues whether they realize that their inaction in the matter of rates is injuring the railway companies and destroying their credit, and that if they persist in this course it must inevitably lead to still more serious consequences at this time of world-wide catastrophe."

Speaking of the bearing of the demands upon investment credit, Mr. Smithers continued: "I do not suppose that the capital invested in the railways to-day gives a

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MONTREAL FINANCES.

Banks Being Urged to Come to Relief of City.

Some action is likely to be taken by the City of Montreal in a few days to take care of the loan of $6,900,000 that will fall due on the 1st of December. THE FINANCIAL POST is informed that the assistance of the Premier of Quebec has been secured, and that he has urged upon the Minister of Finance that the Bank of Montreal or a group of banks be asked to come to the relief of the city temporarily. The loan is held mostly in New York, and efforts to have it renewed were not successful. If the city's banker, the Bank of Montreal, consents to make a loan, which it refused to do earlier in the year, a flotation of bonds will be made in January to relieve the Bank of Montreal of its obligation. The Board of Control this week refused an offer of the Credit Canadien, through Mr. Arpin, for a loan of $1,400,000 to cover the year's overdraft, as it was decided that the larger loan must be attended to before any other liability was incurred.

WAR BUYING DOMINATING THE OUTLOOK

Big Orders in Canada for Supplies for U.S. Ships.

FRANCE IN THE MARKET

French Orders Are for Textiles—People Are Showing Cautious Spirit—Better Outlook for Wheat Marketing.

There has been no marked change in the business outlook during the week. The war buying continues to supply the dominant note in both industrial and agricultural prosperity. In the first connection the clearing up of the financial situation at Ottawa has been followed by further orders from the United States—including big business in equipment for ships—while the French government is actively in search of textile goods. In the second connection advices from Miss Cora Hind at Winnipeg are to the effect that, with the completion of the arrangements by which the government guarantees the wheat price, the Wheat Export Company is taking care of everything offered at the fixed price.

Late advices to THE FINANCIAL POST are that two Canadian firms have secured contracts for approximately $1,000,000 worth of orders for equipment for ships from firms in the United States. The delivery of the necessary steel has been guaranteed by the U. S. Government.

So far as trade is concerned there is strongly evident that spirit of caution which has previously been referred to. Whether it is this attitude on the part of the people or whether it is a reflection of financial sail-gathering prior to the new government loan, the fact remains that the bank clearings for the week, while indicating an increase for all Canada, show a marked decline in the majority of Western cities. In any event this spirit of caution will be generally regarded with satisfaction by those who appreciate the necessity for the conservation of the nation's financial resources at this time in order that we may be in a position to supply those funds required for the financing of business from the British government.

Wheat and Railways.

So far as Western Canada is concerned the assurance of the guaranteed price still leaves the elevators in an uncertain position. The present price is $2.21 but they do not know what price they are to get later and they do not know who is going to pay them the cost of storing the grain. The point is that if wheat is worth $2.21 now it will be worth considerably more six months hence on account of storage and interest on the capital involved not to mention actual shrinkage in volume.

The appointment of a joint railway board to co-ordinate in the handling of the country's freight should have the effect of facilitating the movement of manufactured and natural

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LIVESTOCK NOW A SURE BASIS OF PROSPERITY

Canadian Farmers Are Showing More Confidence in This Connection.

THE WHEAT SITUATION

E. Cora Hind States That Air Has Been Considerably Cleared As to Government's Price-Fixing But Elevators Not Yet Assured as to Future.

By F. M. CHAPMAN,
Editor, "The Farmer's Magazine."

The farmers of Canada are preparing by increasing their livestock to further a continuation of the country's prosperity. The wise determination of the United States Government not to interfere with meat prices to the producer, and its counterpart here, has reestablished confidence among the farmers. The cattle that have been taken out on pasture during the early summer have been coming back to the yards, carrying decent returns despite the high prices of outgo. It is well known of course that feeders can realize on grass even if the selling price does not exceed the buying price per pound of the cattle. These returns are giving the farmers good rentals for their lands and the likelihood that livestock farming will be more staple after the war is evidenced in the numbers of breeding cattle and sheep that are being saved by the farmers. The movement is also interprovincial by special arrangement between the railways and the government. This is a wise plan and a sign of future prosperity for Canada for it is realized that a productive agriculture pays off war debts and rebuilds a country more quickly than any other method.

Then again the guarantees by France till July 15th, 1919, of $2.62 for wheat, of $1.76 for barley, of $2.06 for corn and rye, of $1.25 for oats, as well as a similar situation in Great Britain, lends to the farmers of Canada an assurance that world needs will make agriculture highly prosperous for some time.

The war loan will likely be largely subscribed to by farmers if they are given the chance in the right way. That there is a reserve strength for financing our own way in British purchases carries with it further inducement.

Weather conditions in the East have been favorable for the taking care of the fall crops and work. Plowing is being done well in many parts.

The Western Situation.

Miss Cora Hind, of the Winnipeg "Free Press," telegraphs to-day from Winnipeg to THE FINANCIAL POST on the Western situation:

"Market conditions in the West are very dull. The market so far as wheat is concerned has resolved itself into a steady daily delivery of practically all offerings to the Wheat Export Company, and the offerings are below the demands of that company. The trade is feeling somewhat reassured since the statement was issued by the Finance Minister to the effect that finances had been arranged for the purpose of the crop, but they would be better satisfied if there was a definite agreement as to the time when the Wheat Export Company will assume the ownership. As matters are at present it looks as though the elevator companies might have to carry the wheat in terminals until spring, paying the carrying charges, and then only receive the fixed price of $2.21 at the lake front. The situation here differs from that in the United States, as there the Government is buying the wheat outright. Here, while the Canadian Government is financing the crop, it is not buying the wheat; that is being done by the Wheat Export Company for Britain and her Allies. No one really doubts that the Allies need and will take every bushel of the surplus. The question is when, and who will pay the carrying charge from December to May on wheat at the lake front?

"Live stock situation in the West is badly congested, and there is an embargo against receipts in the Winnipeg yards. The yard management is doing all it can, but the truth is the live stock industry has developed so rapidly that sufficient accommodation has not been provided, and there is a shortage of trackage also. The concession as to freight from both railways and the Dominion Government has tended materially to increase the movement. In the nine months ending September 30th, 13,948 more stockers passed through the Winnipeg yards than for the same period in 1916. Of the 38,579 head of stocker cattle received at the Winnipeg yards, 20,267 went back on to the Western farms to be finished, while the United States have received a much smaller percentage than in previous years. For the last week the movement of stockers east under the new regulation of the Government paying half the freight has begun to be a factor also.

"Dairy men are much stirred up over the oleomargarine question, but the consumers are much more stirred up over the fact that with butter and milk at their present prices it is impossible for people of moderate means to procure for their children the amount of fat that is so essential in this climate."

WORLD'S TRADE FOR CANADIAN PAPER MILLS

Export Company Enlarges Field to Book and Bond Papers.

TAKING GERMANY'S PLACE

With Sweden As Only Serious Competitor—Leads in South African Export Now—Ambitious Plans for Development.

Special to The Financial Post

MONTREAL.—A definite movement has been inaugurated by which Canadian paper and pulp mills will take advantage of the new opportunities that are opening up for the export of their products. In last issue of THE FINANCIAL POST an explanation was made of the conditions under which, during the war, Canadian business would be increased at the expense of Swedish trade. The Canadian Paper Export Company, however, is now planning to gain a strong foothold in many world markets with the idea that this will grow in extent rather than diminish after the war and its immediate consequences have passed away. The Canadian Export Paper Company, which has been in charge of the export of Laurentide, Abitibi and other mills and has dealt only in newsprint and pulp, has taken the agency of a number of other paper mills in Canada, such as the Provincial Paper Mills and the Howard Smith Paper Mills, makers of book and writing papers, of medium and fine grades, and will push these in connection with the sale of the other two lines. A big field, it is confidently expected, is ahead of this country in these directions as well as in pulp and newsprint.

G. F. Steele, the general manager, states that they are planning to extend the Canadian paper trade in "every civilized country in the world." This plan looks to business after the war rather than any temporary orders which may arise out of immediate conditions.

"We are confident that our export trade in paper, outside altogether of the United States, will be very large. In the past the strongest competitor in the highest class of papers was Germany, but we believe she cannot regain this position as she will be hampered in getting wood; in other words, she will be pocketed. Sweden has had the lead in coarse papers and she will continue to be the strongest rival of Canadian mills."

A large business is looked for with Great Britain, and France, as well as with Australia and New Zealand. At the present time, Mr. Steele said, Canada holds the largest business with South Africa, and this will develop. Even now, with all the difficulties of transportation, Canadian exports were being increased very materially.

Alliston's tax rate this year is 34 mills, an increase of 4 mills over the 1916 rate.

WHAT TORONTO HAS LOST: INDUSTRY IS DISCOURAGED BY CONTINUAL CRITICISM

Attitude in Canada, but Particularly in Toronto, Toward Business Men is Restrictive.

INDUSTRIES LOST BY THE QUEEN CITY

Big American Concern Is Shut Out By Prejudice Aroused By Attitude Of Public And Press—Why Toronto Has Lost Headquarters of a Transcontinental Railway System.

BUSINESS men and other investors who know Toronto and Montreal conditions comment upon the marked difference in the public attitude towards industry. Montrealers are proud of and encourage their successful institutions. In Toronto the men who worked hard and built great industries, from small beginnings, are treated as semi-criminals—as men who owe their progress to dishonest methods.

The experience related the other day by a British officer may account for Toronto's peculiarity. Born in Scotland, he served in England, India, South Africa and lived for some years in South America, United States and Canada. Toronto, he said, was the only place where he felt jealous; grouchy, discontented with things as they are. He attributed it to the climate. He says there is more electricity in the air here, than in any place in which he resided. It seems to affect journalists more than any other class, probably because their life is more strenuous. Thackeray found this in New York. When he was there a couple of generations ago he wrote to friends in England that there was something peculiar in the climate which kept him in a state of constant nervous excitement.

The Toronto *Telegram*, which was a leader in the jealousy of and the attacks upon investors and investments, is steadily becoming more conservative and sane, and the Toronto *Star* and *Globe* seem to be stepping into the *Telegram's* old place of developing and playing to the prejudices of the non-thinking masses.

The *Telegram* believes that the City Council and Harbor Commission of Toronto should assist the Imperial Oil Co. to establish crude oil reservoirs on Ashbridge's Bay. About a quarter of a century ago, when the late Senator Jaffray and some of his friends desired to establish great steel works in that district, the *Telegram* and its friends instituted a campaign which was so offensive that the promoters abandoned the Toronto scheme, and established the plant in more congenial surroundings at Hamilton. Hamilton has now not only the big Steel Corporation of Canada, but many industries that have sprung up around it; while Toronto has its vacant marsh land in Ashbridge's Bay. Toronto has spent millions filling in the land. The Steel Co. and its subsidiaries would have done it for nothing.

When interests associated with the United States Steel Corporation acquired, about fourteen years ago, control of the International Nickel Co., they wanted to establish plants for both on Lake Ontario, preferably at Toronto. Their experts investigated conditions and reported that manufacturing conditions were favorable but recommended that because of the constant attacks upon, and interference with, the industries by certain newspapers, municipal authorities and professional agitators, it would be inadvisable to be at or near Toronto, and finally a location near Windsor was selected.

A few weeks ago representatives of a big industry in the United States had a conference with one of our most successful business executives associated with many of our largest industries. They were prepared to invest $8,000,000 in Canada—at this time when we need money. No Canadian money was needed, but Canadian experience and ability were essential, and they were ready to pay liberally for it. The Canadian, after giving a week's consideration, told the American capitalist he could not join them. He would not go into any new developments until the politicians and a section of the press changed their attitude towards the men who took pleasure in helping to build up the Dominion. Canada has lost the industry.

These same papers have constantly complained of the disadvantages under which Toronto does business, because the headquarters of the two great transcontinental lines are at Montreal. Toronto got a transcontinental headquarters, but was not satisfied. Their continual criticism brought the Canadian Northern Railway into such disrepute that they could not borrow money or get temporary financial support from the Government. The Government has taken the road over. The headquarters will no doubt be established at Ottawa. We believe if Mackenzie & Mann had had their headquarters at Montreal their interests would be in an entirely different position to-day.

The men directing big industries are not all saints. Some of them are big criminals. It is not their own money they are using, but the massed savings of hundreds of small wage earners and farmers. The way to deal with them is not to restroy the savings and the industry they built up, but to regulate, render unpopular or punish as criminals the men who depart from the paths of honest dealing.

THE Forest *Press* says that agriculture is the only industry taxed under our fiscal system—a statement which precludes hope for intelligent discussion of the subject in that quarter.

BANK OF MONTREAL

Established 100 Years (1817-1917)

Capital Paid up, $16,000,000. Rest, $16,000,000.
Undivided Profits, $1,557,034.
Total Assets - - - $386,806,887.

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THE MERCHANTS BANK OF CANADA

Established 1864 *Head Office, MONTREAL*
President—Sir H. Montagu Allan, C.V.O. Vice-President—K. W. Blackwell
Managing Director—E. F. Hebden General Manager—D. C. Macarow

Paid-up Capital	$ 7,000,000
Reserve Fund and Undivided Profits	7,421,292
Total Deposits	92,102,072
Total Assets	121,130,558

233 Branches and Agencies in Canada, extending from the Atlantic to the Pacific.

A GENERAL BANKING BUSINESS TRANSACTED

Special attention given to Collections. SAVINGS BANK DEPARTMENT AT ALL BRANCHES.

Commercial and Travellers' Letters of Credit issued, available and payable, respectivly, in all parts of the world. Travellers' Cheques issued in convenient denominations, payable at par throughout the world.

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THE BANK OF BRITISH NORTH AMERICA

Established in 1836. Incorporated by Royal Charter in 1840.
Paid-up Capital - $4,866,666.66 Reserve Fund - $3,017,333.33
Head Office—5 GRACECHURCH STREET, LONDON, E.C. 3
HEAD OFFICE IN CANADA—St. James Street, MONTREAL.
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This Bank has Branches in all the principal Cities of Canada, including Dawson (Y.T.) and Agencies at New York and San Francisco in the United States. Agents and Correspondents in every part of the world.

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Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued negotiable in all parts of the world.
Savings Department at All Branches

The Standard Bank of Canada

Quarterly Dividend Notice No. 108

NOTICE is hereby given that a dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending October 31st, 1917, and that the same will be payable at the Head Office in this City, and its Branches, on and after Thursday, the 1st day of November, 1917, to shareholders of record of the 20th of October, 1917.

By order of the Board,
C. H. EASSON,
General Manager.
Toronto, September 21st, 1917.

THE LONDON CITY & MIDLAND BANK LIMITED

HEAD OFFICE: 5, THREADNEEDLE ST., LONDON, E.C. 2
FOREIGN BRANCH OFFICE: 8, FINCH LANE, LONDON, E.C. 3

	($5 = £1.)
Subscribed Capital	$114,739,020
Paid-up Capital	$ 23,903,960
Reserve Fund	$ 20,000,000
Deposits	$966,110,435
Cash Reserves	$241,454,680
Bills of Exchange	$111,760,185

This Bank has Branches in all the Camps where Canadian Troops are stationed in England.

Sir EDWARD H. HOLDEN, Bart., *Chairman.*

THE MOLSONS BANK

Incorporated by Act of Parliament 1855

Paid Up Capital - - $4,000,000
Reserve Fund - - - 4,800,000

Head Office, Montreal

Besides its 98 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the world, offering its clients every facility for promptly transacting business in every quarter of the globe.

Edward C. Pratt, General Manager

NEWS OF SECURITIES – Depression Continues

ALTHOUGH at times during the week there was temporary evidence of a slightly better tone in some quarters, the market, generally speaking, continued to sag in the manner which has been characteristic of many weeks of readjustment. THE FINANCIAL POST has been making inquiries of the executives of some of the big concerns with securities on the market as to the influences at work, and their opinions agree with those of the "profession," that the decline is due to the rise in the value of money accompanying the flotation of heavy government issues at high interest rates coupled with the uncertainty which prevails as to after war readjustment, war profits and income taxation, etc. Looking to the future with any measure of confidence must make many of the prices now being quoted for the better class investment securities very attractive. From the speculative standpoint the market is in a very unsettled condition and promises to continue so for some time. The week's developments have shown that there are many soft spots which are being revealed under very slight realizing, while on the other hand a very small demand soon cleans up the available offerings; the market is very narrow. When the bottom of the decline is reached there will undoubtedly be a sharp reaction in some of these speculative specialties, but when the bottom will be reached is another matter. In any event it cannot be expected that there will be any considerable investment movement or broad speculation until after the new war loan is disposed of. Both funds and energies are being largely devoted to the success of the big loan.

During the week there was evidence of a better tone to the New York situation, but it found no reflection on the Canadian markets. Following are some opinions from the United States standpoint:

> Both investors and speculators have shown uneasiness in recent days. They have given greater evidence of nervousness than at any other time since the announcement that the United States would enter the war on the side of the Entente Powers. Selling has been based upon cold facts. The facts are found in the war situation and in the railroad situation. In respect of the industrial shares we believe pessimism has been overdone. We cannot, however, say the same thing regarding the rails. The industrials have been going down on the uncertain condition of mind over the effect war taxation, price fixation and labor troubles will have upon the earning power of our big and little corporations, while, on the other hand, the railroad securities have been moving to lower levels because of concrete facts.—*New York Sun.*
>
> The downward trend of values continued another week with but slight intermission. Explanations are profuse; all, or nearly all, having their origin in the war and its effects. Derangement of the money market is the inevitable and most conspicuous influence. It is almost superfluous to remark that billions of money cannot be diverted from productive channels to destructive purposes without serious disturbance and extensive readjustment. The latter process is now going on at a rapid pace, although much confused by innumerable conflicting currents. The stock market is rapidly discounting peace, which foreshadows diminishing war profits as well as change in the direction of many industrial activities. Nevertheless, an immediate end of the war is not in prospect, and much of the peace talk emanating from the various sources should not be taken too seriously.—*Henry Clews & Co.*
>
> Of course a lot of things have happened to unsettle confidence. A new tax law has been enacted. That this law will reduce very greatly the distributable profits of all business enterprise is known positively; but just how large the levy upon net earnings is to be apparently will not be known until next May or June when corporations get their tax bills. Viewed from this standpoint it appears that there are seven or eight months of uncertainty still ahead of us. Legal experts are interpreting the law and accountants figuring the amount of tax that will be assessed under varying conditions, however, and within a short time those who investigate and think—rather than simply surmise and feel—will have satisfied themselves that the yield of securities after excess profits and income taxes will be sufficient to warrant their accumulation.—*Boston Commercial.*

STEEL

Market Irregular and Trading Narrow, With Downward Tendency in Prices.

By P. BAIN, M.E.,
Editor Canadian Machinery.

The market has for the most part been acting in sympathy with New York and consequently has been irregular. Trading has been if anything a little more active in some steel issues but the range of prices has been narrow with a downward tendency. There being no change in the general situation little improvement could be expected in the market. Money continues tight and the pending war loan is tending to restrict trading operations. In view of the unsettled outlook, traders are cautious and volume of business light. The market at the present time does not reflect conditions prevailing in the steel industry, for there has been no falling off in activity at the mills, which are still well booked up with orders.

It is becoming more apparent that the price regulation of steel products in the United States is not going to affect the Canadian markets to any appreciable extent for some time. The U. S. mills have not as yet reduced their prices on export business, except of course on Government requirements, and indications are that they will hesitate to accept orders from private consumers at the price fixed by the Government. The reason advanced by them is, that they cannot promise any definite delivery owing to the congested conditions at the mills and heavy demand for steel by the Government. The mills are not looking for business as they have still a large amount of steel to deliver before they can consider the new price schedule. Furthermore the requirements of the U. S. Government and the Allies are becoming increasingly heavy and it will not be long before the tonnage required for war purposes will be such that ordinary consumers will have much difficulty in getting steel at all, regardless of price, for any purpose other than for war business or directly contributing thereto. This situation taken in conjunction with the embargo does not place jobbers or manufacturing consumers in Canada in a very enviable position.

While the representations which will be made to the Priority Board at Washington by Canadian manufacturers may result in some relief, it is fairly obvious that the situation will still be acute and manufacturing operations considerably restricted. It is unlikely that firms engaged on war business in Canada will be affected any more than those concerns in the States engaged in similar business but consumers in both countries working on purely domestic business will be equally handicapped in their manufacturing operations. It is this feature that encourages the belief that prices of iron and steel products will likely remain higher than the regular tions call for. There have been no further developments in regard to the embargo and none are expected until the committee of manufacturers have completed their work of collecting data as to the amount and kind of steel required from the States. In the meantime the whole situation is confused and outlook uncertain.

	Close, Oct. 11	Close, Oct. 18	Change
Can. Car, com.	22	19	— 3
Do., pref.	52	52	..
Can. Loco., com.	58	58	..
Do., pref.	84	84½	+ ½
Gen. Elec.	102½	100½	— 2
Dom. Bridge	135½	129½	— 6
Dom. Iron, pr.	89	88	— 1
Dom. Steel	57¼	55¾	— 1½
N.S. Steel, com.	83¼	79	— 4¼
Do., pref.	105	105	..
N. Stl. Car, pr.	29	19	— 6¼
Ont. Stl. Pr. com.	25¼	25¼	..
St. of Can., com.	54¼	51	— 3¼
Do., pref.	87	85	— 2
Rus. Motor, com.	63	63	..

FOUNDRIES AND FORGINGS.

The Canada Foundries and Forgings Co. has declared its regular quarterly dividend of 3 per cent. on the common stock, and of 1¾ per cent. on the preferred, payable November 15, to holders of record October 31.

DOMINION BRIDGE.

The new Quebec Bridge was crossed for the first time on Wednesday by a train which marked the final test of the great undertaking. Simultaneous with this the directors declared the regular 2½ per cent. quarterly dividend, payable on Nov. 15, to shareholders of record Oct. 31. Some little surprise was felt in the Street that there was no resumption of the bonus that was paid for the first quarter of the year, now that the Quebec Bridge undertaking had been successful. It is explained, however, that the profits from this will not be included in the earnings of the present year, which expires at the end of October, as the accounts will not be closed out in time. The latest dividend brings the total for the present year to 11½ per cent., consisting of three of 2½ per cent., and the regular 2 per cent. for the first quarter and a 2 per cent. bonus that was declared then. For last year there was the regular 8 per cent. and 12 per cent. bonus, a total of 20 per cent. In 1915 8¾ per cent. was paid, and the year before that 7¼ per cent. The average for the four years was therefore a shade under 12 per cent. The dividend action this quarter is taken to mean that the total profits for the year 1917 will fall below those of 1916, when the net profits were $2,776,390, or more than double the $1,344,347 of 1915, and over four times the $629,969 made in 1914. On Thursday, Bridge had a slight decline, going to 129½, after a series of drops. This is a net loss for the week of 5½ points.

CANADIAN STEEL.

Further particulars have been received respecting the Great Lakes Dredging Co.'s contract at the Canadian Steel Corporation plant at Ojibway, Ont. The marine slip or harbor and wharves will provide for the unloading and storage of ore, limestone and fuel. The harbor will extend about 2,403 feet inland from the harbor line along the left bank of the Detroit River. Its width, from face to face of the concrete walls, which will be 9 feet high by 12 feet wide, will be 400 feet. This reduces to 202 feet between walls at a distance of 303 feet from the harbor line. It continues at the width of 202 feet for a further distance of 2,100 feet inland from this point. The depth will be 23 feet measured from the mean water level of the Detroit River. All piles supporting concrete walls will be approximately 80 feet in length and will be driven to rock. Ore and limestone will be unloaded and stored on one side of this slip and coal for by-product coke ovens and general plant use on the other side. The work does not include piling or concrete walls for support of bridges; neither does it include any unloading machinery.

NOVA SCOTIA STEEL.

Scotia stock continues to decline being now quoted at 78, representing a drop of approximately 24 points since August 24. The third payment on Scotia's $5,000,000 common stock issue at par fell due a few days ago and the fourth and final payment will be due November 15th. With the new stock fully paid, the directors stated at the time of the announcement of the issue in June that they would then proceed to declare a stock dividend of 20 per cent. to holders of record November 20th. At 78¼ for the shares of the original $7,500,000 stock, the price equivalent for the entire issue of $15,000,000, when the stock dividend is declared, would be about 65½. With the dividend 5 per cent. the return would be about 7¾ per cent.

DOMINION STEEL.

Dominion Steel stock has been rather more active this week, but lost some ground in the process, selling down to 55¼ bid. No further statement has been issued in regard to the action which a section of shareholders are taking to have the rate of dividend distribution increased, although the recent activity is probably due to a feeling that an additional distribution will be made at the next quarterly declaration.

PULP AND PAPER

Upward Move in Riordon Was Feature of Week's Trading in This Stock.

By W. A. CRAICK.

The only change to be noted in the market situation of the pulp and paper stocks this week was a little more than the usual activity in Riordon and Brompton. Other issues were still decidedly quiet and without much variation in price. The rise in Riordon was, of course, influenced by special conditions, these being the profitable results accruing from the operation of the Riordon subsidiary, the Ticonderoga Pulp & Paper Co. Otherwise there was nothing in the general situation to influence prices. Changes for the week were as follows:

	Close, Oct. 11	Close, Oct. 18	Change
Laurentide	165	160	— 5
Riordon	115¾	119¾	+ 4
Spanish, com.	14	13⅛	— ⅞
Wayagamack	50¼	50¼	..
Brompton	42½	41¼	— 1¼
N.A. Pulp	3	2¾	— ¼

The belief is gaining ground, and is being voiced among officials at Ottawa, that the Government is going to raise the price of newsprint from 2½ cents to at least 2¾ cents, and possibly 3 cents. The figures produced at the last inquiry appear to have given good ground for this assumption. There will be another hearing on October 29, when more statements will be considered, and it is expected that the Commissioner will present his report some time in November. Meanwhile, the manufacturers have been urging an immediate price increase, in view of the conditions shown at the inquiry, and some, it is understood, have intimated that, if relief is not forthcoming by the 1st of November, they will refuse to sell their product any longer at 2½ cents, but will let the Government step in and run the mills.

A meeting of the members of the Trade and Class Section of the Canadian Press Association has been called for October 26 to consider the whole question of half-tone news and book paper prices, and to take whatever steps may be considered necessary for prosecuting the section's case before the Commissioner appointed to investigate the paper situation.

A delegation of publishers of farm papers visited Ottawa during the week and put up a strong plea for relief from high prices on half-tone newsprint and book papers. Their case was laid before Sir Thomas White, Sir George Foster, Hon. A. L. Sifton, the new Minister of Customs, and Hon. T. A. Crerar, the new Minister of Agriculture, all of whom gave an attentive hearing to the delegation. It was urged in the interests of agriculture that the Government should take steps to enable the publishers to continue their educational work without the handicap of high-priced paper.

Two requests were made. One was that the price of half-tone newsprint should be fixed in the same way that the price of ordinary newsprint is fixed. The other was that the duty on book paper should be removed. It was intimated to the delegation that the whole question of the price of book papers would be taken up at the next hearing of the Pringle Commission, and that the Commissioner's report would likely be made in November. So far as the question of duty is concerned, the delegation came away with the impression that something might be done in this direction.

The empty car situation is again becoming acute in Quebec, and representatives of the Canadian Pulp and Paper Association have gone to Washington to see the Interstate Commerce Commission about the shortage. The big pulp and paper mills have been so affected that they will have to curtail output or close down altogether unless relief comes soon.

BROMPTON.

While the monthly reports of the Brompton Pulp & Paper Company continue to show favorable conditions at the mills, and the general outlook for the manufacturers of pulp looks good, the stock market end of the Brompton mills keeps on dropping. A few shares continue to come out, and are taken up, but there is no eagerness manifested to secure them. THE FINANCIAL POST was informed that practically all the stock that is coming out lately is bought up by those on the inside, not so much for the purpose of sustaining the market as because they are quite willing to get a few more shares at the low rate at which they are offering now. This week the market opened at 42, 2 points below the starter of a week ago, and 5½ points below the figures of a month ago. The high for the year is 58, and last week reached a new low at 42. As the stock pays 5 per cent. at 42, it is worth 11.9 per cent. as an "investment."

During the week the price of Brompton receded still further, touching 38 on Tuesday. There was later a recovery to 41½.

The present comparative weakness of the stock, apart altogether from the general tone of the market, dates back in reality to the conditions under which the issue was placed on the market last year. Long before it was actually listed it was dealt in as a sort of future, and as the paper market at the time was very high, and other paper issues was jumping, it went as high as 78. The stock later was listed at only 59, and the original high was never reached thereafter. To those who held the stock on margin the drop to below 50 and then towards 40 was a serious matter and it is believed to be those in this position who are unloading.

RIORDON.

The controlling interest that Riordon Pulp & Paper Co. hold in the Ticonderoga Pulp & Paper Co. is proving profitable this year, and even more so than the figures indicate. The Ticonderoga mill has declared a dividend of 10 per cent. payable December 1 to shareholders of record November 30. This is the second 10 per cent. dividend for this year, the first being declared last June. F. D. Whittel, secretary-treasurer for both companies, estimated this for THE FINANCIAL POST as equal to about $55,000 dividend for the year. But far more than the specific payments on the common stock is the accumulation of profits that is going on. It is understood that the dividend of 20 per cent. is a small portion of the real profits on Ticonderoga which had a remarkably good year, running far ahead of 1916. Last year Riordons secured a controlling interest, nearly 75 per cent. of the stock which is only $368,000, a comparatively small issue, so that the good record of Ticonderoga will revert to Riordon's advantage. By the last report the assets were $2,838,611, and the surplus has reached the tidy total of $1,002,415 which will be greatly increased by this year's operations.

A gain of four points in the price of Riordon shares is to be noted this week. The stock closed on Thursday at 119¾.

MATTAGAMI PULP.

The new plant of the Mattagami Pulp & Paper Co. at Smooth Rock Falls, Ontario, has been completed. The turbines have been tested and the installation considered successful. The plant will be in operation in a few days, producing bleached sulphite pulp.

LAURENTIDE.

A block of 115 shares of Laurentide sold on Tuesday at 160, a break of five points from last week's level, and the lowest price at which Laurentide has sold for many months. The sale at this figure of the most highly regarded investment stock in the paper group is an indication of what little buying strength there is in the market at present.

NORTH AMERICAN.

North American was another paper stock to touch a new low level this week. On Wednesday a small block of shares actually sold at 2¾. This is the first time that North American has sold under $3.

SPANISH RIVER.

On Wednesday Spanish River common shares sold as low as 13. Not since early in August has this stock been so cheap. On August 8 there was a sale at 12½, but subsequently the stock sold up to 19, in anticipation of the annual report. Since then there has been a steady recession to present levels.

MILLING

Announcement of Food Controller Limiting Profits Has Little Effect on Situation.

By J. L. RUTLEDGE,
Editor Canadian Grocer.

The Food Controller has just announced officially that after November 1 the net profit of Canadian millers will be limited to a maximum average of 25 cents on the milling of sufficient grain to make a barrel of 196 pounds and the offal produced in connection with the milling process. Mills, it is also stated officially, will be licensed and will be required to manufacture one or more of three grades of flour, the cash price for which will be set from time to time. This is about the understanding that the millers have already had regarding the situation, and it is little if any more definite. The millers are still left in the dark as to the actual composition of the different grades of flour, and this uncertainty has had its effect in curtailing activities. Of recent date, however, there has developed a decidedly good demand and mills are at present doing a good business, though the failure to set the actual price of flour has militated against the business that might be expected in the present depleted condition of the market.

It is confidently expected that once the actual conditions that are to govern the milling trade are known, it will produce a better feeling in the business. Considerable force is given to this supposition by the fact that in the United States, where these matters have been definitely decided, the output of the mills at the three principal spring wheat milling points has shown an increase during the past week of 41,000 bbls.

OGILVIE FLOUR.

The stock of the Ogilvie Flour Mills Company is still suffering from the post dividend lull. Very little business was done but the little seemed to indicate a tendency toward better prices to come; 143 was the top figure for the week which was an advance of three points on the high of the previous week. There was no activity in the preferred. The last sale recorded was made at 111½.

MAPLE LEAF.

In the recent fire that destroyed the Maple Leaf elevator at Southey, Sask., some 20,000 bushels of grain were lost, which at the present price of wheat represents a considerable loss. The movement in Maple Leaf stock during the past week showed a still further decline. Selling was very limited, and no keen demand was evidenced. The stock remained steady at 99 for the common. The preferred showed about the same activity, the price being 93.

ST. LAWRENCE FLOUR.

As intimated in last week's issue, the St. Lawrence Flour Mills Co. has placed the common stock on a five per cent. basis. The initial quarterly dividend will be paid on Nov. 1. The president, T. Williamson, expects that all preliminaries in connection with the listing of the stock on the Montreal exchange will be completed within a month. On Monday the stock sold up to 40½ on the local curb, easing off to a bid of 39 later in the day.

A comparison of the last two years' reports shows that the current liabilities were reduced by over $100,000 during the twelve months. A very substantial reduction was made in the bank loan from $139,353 to $69,293. The amount set down for "Property and Goodwill," $1,200,000, looks a little high in view of the fact that the Ogilvie Flour Mills Co. set its goodwill down at a single dollar, and the goodwill, trade marks, etc., of the Lake of The Woods Milling Co., which was $1,000,000 a few years ago, has been reduced to $550,000, mostly by reductions of $100,000 and $50,000 a year. At the same time any mill with a well established brand on which large sums have been spent for publicity is entitled to set a fairly large amount down for the "goodwill."

LAKE OF THE WOODS.

There was a slight activity in the stock of the Lake of the Woods Milling Company during the past week. The activity however was at a loss, the selling price being 120, about five points below the average of the last recorded sales, the preferred maintained its unwavering inactivity.

MINING STOCKS

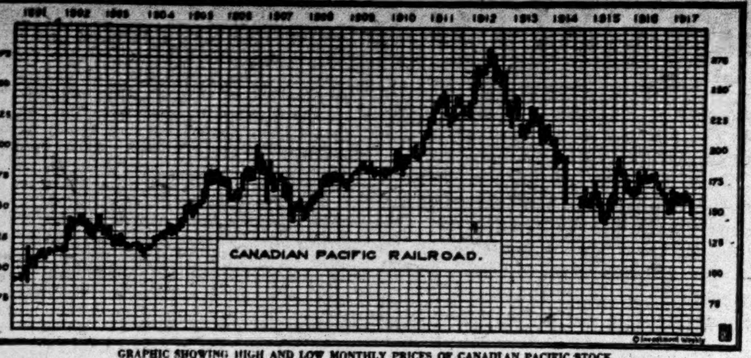
Business Continues Slack, With Downward Tendency of Prices Still in Evidence.

With average daily sales this week at 71,173 shares, there cannot be said to be any marked improvement in the mining market so far as the volume of business is concerned. In fact the average appears to be dropping steadily from week to week. During the previous week it stood at 75,106 and in the week before it was 76,572. With the price of silver on the down-grade and the war loan campaign coming on, there is little chance now that there will be much activity until the end of the year.

While prices on the whole have been weaker and the net result of the week's trading exhibits general declines, yet there have been some exceptions, notably Dome Mines and Nipissing. These issues have stood up well against the weakness that has been evident in the market for some time past.

	Close Oct. 11	Close Oct. 18	Change
Adanac	.15	.14½	—.0½
Beaver	.36	.33½	—.02½
Dome Mines	8.00	8.20	+.20
Dome Ex.	.10¼	.10⅜	+.0⅛
Hargraves	.09	.08	—.01
Hollinger	4.90	4.85	—.05
McIntyre	1.40	1.34	—.06
Nipissing	7.85	7.90	+.05
Vipond	.25	.22	—.03
Newray	.52	.50	—.02
Temiskaming	.29	.28	—.01
West Dome	.16	.15	—.01

The action of bar silver has been depressing. Day by day its price recedes further and as a matter of fact its value is contracting almost as rapidly as it expanded in August and September. The following table shows both the drop in silver and the extent of each day's business on the Standard Exchange.



GRAPHIC SHOWING HIGH AND LOW MONTHLY PRICES OF CANADIAN PACIFIC STOCK

	Transactions in shares	Bar Silver per oz.
Friday, Oct. 12	46,769	88¼c
Saturday, Oct. 13	Exchange	Closed
Monday, Oct. 15	93,855	86¼c
Tuesday, Oct. 16	99,202	85⅝c
Wednesday, Oct. 17.	53,738	84⅞c
Thursday, Oct. 18.	62,304	84⅝c

Last week's ore shipments from the Cobalt camp totalled 1,560,774 lbs. Included in this amount was 1,015,740 lbs. from the Mining Corporation of Canada. This was contained in sixteen cars, making a record shipment for the camp. The following companies composed the list of shippers:—

	Cars	Pounds
Mining Corp.	16	1,015,740
Nipissing	3	219,230
McKin.-Darragh	2	170,594
La Rose	1	78,310
Dom. Reduction	1	76,900
Total	23	1,560,774

Writing from London at the end of September and just when the price of silver was beginning to break from its high point, Samuel Montagu & Co. made the following comment on the situation and outlook:—

"The high prices now ruling, combined with certain vague rumors as to what America is going to do or not going to do with its large stock of coined silver dollars, has induced most of the few remaining private holders to realize the bulk of their stocks with the result that during the last few days more silver has been on offer than for some time past and many long standing buying orders have been able to be filled. This, combined with an elmost complete cessation of the Chinese demand, has produced the first set-back in the price of silver that has occurred since it started its phenomenal upward run just two months ago. Up to the present this set-back has been small in comparison with the great rise that has taken place, and we must also bear in mind that if the coinage and industrial demands continue on the same scale as recently there may be the same difficulty in meeting it, in view of the fact that private holders are practically cleared out. Still for the moment there do not appear to be many unsatisfied demands."

In a later letter, written on October 4, the same company says:—

"The market has been inert and, in the absence of any important buying orders, the movement of prices has been again retrograde. The prohibition of exports to certain neutral countries, as from the 8th inst., is hardly likely to have much effect upon the market except so far as any additional restrictions tend to hamper business. The return of the price to a lower level is in favor of the Indian Government, which is undoubtedly in a position to use large quantities of silver when it can be secured advantageously."

KERR LAKE.

The Kerr Lake Mining Company, holding company of the Kerr Lake Mining Co., Limited, the Ontario corporation which operates the Kerr Lake mines at Cobalt, proposes to follow the same policy as the Nipissing Mines and close out the American company. A meeting has been called for November 12 in New York City for this purpose. The company will be dissolved and all its capital assets will be transferred to a new corporation to be formed under the laws of Ontario. In a circular calling the meeting the directors say:—

"It is proposed to organize this new corporation in Canada under a charter and by-laws which shall as nearly as practicable be the same as the present charter and by-laws of this Company, that the new corporation shall have the same directors and officers as this Company, and that it shall have the same capitalization, to wit: $3,000,000, divided into 600,000 shares of the par value of $5 each. It is intended that the stockholders of this Company will receive stock, share for share, in the new Canadian corporation when received for their present holdings of stock in this Company.

"Your Directors for some time past have had under consideration the advisability of liquidating the New York company, which is a holding company, inasmuch as its chief assets consist of its holdings of the Kerr Lake Mining Company, Limited, an Ontario corporation, which is the operating company. The properties of that Company, as you are aware, are located at Cobalt, Ontario, Canada, and are of course subject to Dominion and Provincial taxation. The expense of maintaining this Company as a separate holding company in the United States, though insignificant at first, has gradually become a great, constantly increasing and unnecessary financial burden. It is expected that if the plan recommended to the stockholders for the dissolution of the New York company and the sale of its assets to the new Canadian corporation is carried into effect, a considerable saving will be effected. It is contemplated that the new Canadian corporation will in due course acquire by transfer the physical assets of the present Canadian operating company, so that the ownership of the mines will eventually be vested in the new corporation to be organized. The new Canadian corporation will maintain stock transfer offices in New York, Boston and Toronto."

A few shares of Kerr Lake came out on Wednesday at 5.00, this being 1.00 under the level reached during the boom in silver.

McKINLEY-DARRAGH.

The McKinley-Darragh are opening up the famous Cobalt Lake fault vein on the 400-foot level of their property and in places the vein is over six feet in width of calcite with fairly rich values running through it.

Extending on either side for a further six feet are good milling values. Owing to the fact that other small veins parallel this vein they have milling values over a stoping width of from 40 to 50 feet, and consequently low milling costs. It is estimated that when this ore chute is opened up two others will be sufficient to break enough ore to keep a 250-ton mill going.

It is stated that with the new oil flotation plant running, profits are running above $70,000 per month. As dividend requirements are only $22,500 per month, it is freely predicted that bonuses will be in order in 1918.

McKinley-Darragh shares reacted from a high of 60½ on Monday to a low of 57½ on Thursday, closing at 58.

MINING CORPORATION.

The record of the Mining Corporation of Canada for the eight months of this year is understood to show an increase in net profits of 48 per cent. over last year, total net profits standing at $1,786,011 as against $1,205,276 for the same period of 1916. The profits of this year to date are only about $100,000 less than for the entire year of 1915 and they are materially in excess of the total profits of 1914. At the present time the company has actual cash in the bank amounting to $1,247,634; invested in government securities, $1,056,625; money due by smelters, $1,247,436; ore in transit, $1,506,825; ore on hand, $1,018,405; the total liquid assets of the company showing an increase of $601,020.

Development work has recently been started on the Waldman property, which has been acquired by the Corporation and the air pipes have already been connected up. This property lies in Gillies' limit, and adjoins the Savage and old Silver Bar properties, and in the early days of the camp received considerable attention. Three shafts were sunk on the property, and a small quantity of ore shipped. These three shafts were sunk about 100 feet each, and a small amount of lateral work was done. From the 100-foot level of the No. 1 shaft a winze was also sunk for a distance of 100 feet, and was in fairly good ore when work was discontinued. The rock formation is conglomerate and keewatin, the conglomerate being around 150 feet in depth. Now that this property has passed into the hands of one of the strongest mining companies in the district, its development will be watched with a good deal of interest.

TOUGH-OAKES.

Rumors have been current this week to the effect that the present management of Tough-Oakes mine might resign, due to having other extensive interests to attend to. Charles O'Connell, who has been identified with the company for several years, has recently acquired control of the Boston-Hollinger property at Boston Creek and it is understood that plans of operation at the latter property will demand his attention.

CANADIAN UNION MINES.

The prevailing high prices for hematite iron ore of good quality has stimulated this class of mining in Quebec and Ontario. One of the companies recently incorporated the Canadian Union Iron Mines Corporation, Limited, with a million dollar capital intend opening up their deposits near Sutton, Quebec, where hematite ore has been uncovered, analyzing 68 per cent. metallic iron.

This company has already started work on a mine controlled by them near Perth, Ontario, from which several thousand tons of iron ore were mined several years ago.

BEAVER CONSOLIDATED.

A winze has been started on the high-grade ore shoot discovered early this year at the 1600-foot level. About one hundred feet of drifting and stoping had been done on the vein, with good results. The main shaft will not be sunk below the 1600-foot level at the present time but the winze will be used to determine the extent of the ore shoot for the time being.

The price of Beaver shares has sagged during the week from 35 to 33½.

CONSOLIDATED SMELTERS.

The company entered upon its fiscal year on October 1. An excellent start was made at the Trail smelter where ore receipts for the first week of the month ran to the very satisfactory total of 12,594 tons. As the receipts for the last ten days of September were only 10,554 tons, the showing must be regarded as excellent. In the corresponding week of 1916, receipts were 9,753 tons, so that the new year starts with a gain of nearly 3,000 tons.

A report from Victoria this week says the action of the Trail smelter management in refusing to accept any more silver-lead ore containing more than four per cent. of zinc has led to representations being made to Hon. Wm. Sloan to use his influence with the Dominion Government to relieve a situation, which it is said will lead to the closing down of practically all the silver-lead mines in the section, with the possible exception of three.

Consolidated Smelters is directly interested in developments to be made by the Canadian Copper Co. at Princeton. A bond issue of $2,500,000 has been made by the latter company and ten year contracts have been made with the Canadian Pacific Railway, the Consolidated Mining & Smelting Co. and the West Kootenay Power & Light Co. The C. P. R. are building a branch into Princeton, over which ore will be hauled to Trail.

DAVIDSON.

A contract has been let by Davidson Gold Mines for another 5,000 feet of diamond drilling in order that some very promising veins already exposed on the surface may be proved at depth. The finances of the company are reported to be in good shape, with no debts outstanding and with sufficient funds in the treasury to place the property on a producing basis. Some time ago orders were placed for a new mill and this should be ready for operation about the end of the year.

DOME EXTENSION.

An encouraging view of the dropping by Dome Mines of its option on Dome Extension is taken by Kiely, Smith and Amos, the mining brokers. They say in a recent market letter.

"In connection with the turning down of the Dome Extension option by the Dome Company, we are informed it was not because developments at the Dome Extension were unfavorable, but for other reasons. The diamond drilling of the property, we are informed, has met with gratifying results. One hole has been put down to a depth of over 2,000 feet, and the drill encountered four separate ore bodies, varying in width and values. The formation as the drill went down was found to be as follows:—First keewatin, then slate, porphyry, schist, and at the 200-foot level Huronian slate. At least 12 drill holes have been put down, and it is so arranged that with these holes they have been able to determine to a great extent the size and value of the different ore bodies encountered. It is estimated that at least 1,000,000 tons of ore is blocked out in the Dome Extension mine, which on a conservative basis of estimating would show a profit of $1 to $1.50 to the ton. The company, we understand, had about $50,000 cash in the treasury, and 700,000 shares of stock, which leaves it in a good position to carry on the further development of its property."

There has been little change all week in Dome Extension shares. Opening at 10½, they sold up to 11 on Wednesday, falling back to 10¾ on Thursday.

DOME MINES.

A report on progress at Dome Mines for the six months ending with September has been issued by the head office in New York. The net for six months was $164,863 and for September, $35,000. Total cash on hand was about $408,000, while cash invested in cyanide, coal, steel and powder amounts to $315,000.

Quarrying of ore from the open pit will be suspended during the winter and resumed in the spring. Therefore the monthly tonnage milled will be reduced to between 16,000 and 18,000 tons of ore of about $5 grade, or better.

Ore accumulated in the stopes now amounts to some 300,000 tons, which will average better than $6 a ton, or a total of $1,800,000. This ore can be drawn out later. Dome has, therefore, in cash, supplies and ore ready for the mill, $2,523,000.

The drift on the seventh level passed some forty feet over the rich ore discovered by diamond drilling, which disclosed 116 feet of $13 ore. Drift on the eighth level is now within 300 feet of the ore body, and should cut it within five weeks.

Big Dome shares advanced from 8.10 to 8.40 during the week but reacted to 8.20 on Thursday.

TEXTILES

Securities Showed Some Improvement During the Week on Limited Trading.

The trading in textile securities during the week showed some improvement but the trading was limited. A period of lighter selling has arrived definitely for the knit goods mills after a long period of heavy business. Orders for spring are rather poor and United States orders are needed to supplement the domestic demand. In the case of the woolen mills, jobbers are stocked with undesirable lines and cannot buy new lines for spring as heavily as they might otherwise desire. Canadian mills are now forced to depend on the United States for wool and excessive prices are restricting sales.

The cotton market has made a new high record for raws, over 28 cents. Fortunately most of next spring's cotton fabrics are sold. Unless raw prices drop, sales for next fall will be heavily handicapped.

	Close, Oct. 11	Close, Oct. 18	Change
Can. Cot., com.	48½	48½	..
Do., pref.	77	77	..
Dom. Tex., com.	81	81½	+ ½
Do., pref.	101½	99½	— 2
Mon. Knit., com.	30	30	..
Mon. Cot., pr.	99	99	..
Penmans, com.	64	65	+ 1
Do., pref.	82	81⅞	— ⅛

PENMANS.

While the mills of Penmans are busy turning out goods for the present Fall and Winter, the orders for which poured in on them early in the year, the new business for next Spring is coming in very slowly, according to a statement of the general manager, I. Bonner. Speaking to THE FINANCIAL POST, he said: "If we were dependent on the Spring orders we would think we were in a bad way, and so would the knit goods mills of Canada. Domestic business for Spring is poor at the present time, but there are likely to be enough orders coming in from the United States to supplement and keep the mills going. So far as wool supplies are concerned the Australian shipment relieved us a little in the finer grades, but for the most part we must depend on the United States for wool, but the price is very high. Enough is coming over, however, to make it unnecessary for us to turn down orders on account of wool."

The common stock, which dropped five points to 64 last week, advanced slightly to 65 on Wednesday. The preferred which was at 82 last week, opened at that price but eased off to 81¾ and then went up ⅛ to 81⅞.

BELDING-PAUL-CORTICELLI.

The Christmas trade business in ribbons and other lines is now in full swing for Belding-Paul-Corticelli, Limited, and the general manager, C. A. Reynols, stated to THE FINANCIAL POST that it was up to last year's so far. This is regarded as a very satisfactory condition as in the face of the general cautious buying it was felt that orders might fall behind those of 1916. Most of the business of Belding-Paul is for immediate delivery, and in this way the troubles of the mills over buying a long way ahead with the uncertainty of prices is to a great extent removed. Most of

Continued on page 4.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,500,000

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SIR JOHN AIRD - - General Manager
H. V. F. JONES - - Ass't General Manager

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INCORPORATED 1832

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RESERVE, - - 12,000,000
TOTAL ASSETS, - 115,000,000

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G. S. Campbell — S. J. Moore — W. W. White, M.D.
Hector McInnes — J. Walter Allison — W. D. Ross.
James Manchester — Hon. N. Curry — Hon. M. C. Grant

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H. A. Richardson, General Manager. J. A. McLeod, Asst. General Manager.

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Reserve 3,400,000
Total Assets ....over $109,000,000

John Galt....................President
H. B. Shaw....................General Manager
J. W. Hamilton...Assistant General Manager

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Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange.
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CORRESPONDENCE SOLICITED.

Cockshutt Plow Co.

LIMITED

Report of Proceedings at the Annual General Meeting

The Sixth Annual Meeting of the Shareholders was held at the Head Office of the Company, Brantford, on Wednesday, October 10 at twelve o'clock. The Annual Report and Statements for the year ended June 30, 1917, and which had previously been mailed to Shareholders, was adopted.

The President, Col. H. Cockshutt, reviewing the year's operations, said, "Your Directors feel gratified that the year's work has shown as good results as the statement indicates. We have had many difficulties to contend with and great care has had to be exercised to obtain results. The year's output could have been greatly increased had we been able to secure the necessary material and efficient labor. We received many orders which we were unable to accept. There has been a great increase in orders for Tractor Plows and we have been able to handle a good portion of this business. Our Export Trade has also shown a marked increase. For the coming year we have very good prospects of doing an increased business and, if we are not hampered unduly by the difficulties before referred to, I look forward to a satisfactory year.

"We told you last year that we had not made munitions as our Plant had not the proper equipment for that work. We believe we have acted wisely in this respect as now we see our own trade coming back steadily and the outlook is excellent. The call for increased production from the land means that the proper implements to obtain this increase are necessarily a part of the proposition. We have sold large numbers of Tractor Plows to the Imperial Government and also the Government of Ontario. These plows are being used by these Governments in their efforts to increase food production."

Mr. George Wedlake, First Vice-President, who seconded the motion for the adoption of the report said, "We have had the same difficulty this year to contend with as last on account of the scarcity of men and material. The situation at the present time, however, is somewhat easier in regard to labor. The demand for our products during last year was the greatest in the Company's history but the factory output was restricted for the reason given above. Shipments have increased approximately 50% this year over shipments for the same period last year. I might mention the fact that during last year we gave preference in the factory to the goods required for the English Trade. We recognized that Great Britain, on account of the Submarine Menace, is confronted with the serious problem of procuring sufficient foods for her needs and we have done everything in our power to make the Greater Production Campaign a success in the Mother Country. The present business outlook is good although the much higher prices that will prevail next year may restrict buying to some extent. However, stocks of low-cost raw material are exhausted and prices of implements have now to be charged in accordance with the high prices paid for material and labor. Our plant has been kept in good condition for operation. Our product, in design and workmanship, is of the highest standard as evidenced by the demand from all parts of the trade. The volume of business next year will be in accordance with the number of men available and the material that can be procured."

Mr. George Drummond, Second Vice-President, spoke briefly and referred to the strenuous manufacturing conditions of the year just closed and congratulated the Shareholders on the position of the affairs of the Company. He referred to the honor conferred on the President, who was recently called to a seat on the Board of the Bank of Montreal.

Mr. E. A. Mott, Western Canada Sales Manager of the Company, spoke of conditions in that territory. He said, "It is very encouraging to note the continued marked improvement in general conditions throughout Western Canada. Our business on the whole has been quite a satisfactory one. The volume of sales would have been considerably larger if the factory output could have been increased. The Company's product throughout the West enjoys a splendid reputation. We have been able, due to improved financial conditions, to further materially reduce our outstanding accounts during the year. Our cash collections have exceeded our sales by nearly 100%. The general trade outlook for the Western Provinces this year is quite encouraging and our volume of sales will probably be bounded only by our ability to produce the goods in our factories."

A by-law was passed at this meeting changing the number of Directors from nine to seven, and the following Directors were elected: Col. H. Cockshutt, George Wedlake, George E. Drummond, E. A. Mott, G. K. Wedlake, Sir Augustus Nanton and F. Perry. All acts and proceedings of the Directors during the year were ratified, approved of and confirmed. A dividend of 1% on the preferred capital stock of the Company was declared at the last meeting of the Directors. This dividend is payable November 1 to all Shareholders on record September 29, 1917.

OPPENHEIM

THE biggest single feature ever secured by MACLEAN'S MAGAZINE is a serial story by E. Phillips Oppenheim, British author and a great writer of romantic stories.

The serial beginning in MACLEAN'S for October is "The Pawns Count," a story of the present war, dealing with the work of the secret service agents of the various belligerent countries. You can depend on its being a strong, thrilling story, told by a master of his craft.

Beland—Prisoner of War

The Hon. Louis Beland, a prisoner in Belgium since the beginning of the war, gives the story of his captivity, chiefly in the form of letters to Sir Wilfrid Laurier, in whose last cabinet he held a portfolio.

The story is intimate, vivid, gripping, wholly unusual, and appears in the October MACLEAN'S.

John Bayne Maclean

Col. Maclean contributes another chapter on the war situation as he knows it, in his forceful, smashing style. These articles by Colonel Maclean are truly startling by reason of their revelations.

Germany's Secret Work in Canada

Germany is plotting in Canada and the United States right now. If you are curious to know just what she is doing, learn from Miss Agnes C. Laut's article in the October MACLEAN'S, "The Plot Behind the Pacifists."

Beating the Customs

An article full of actual occurrences of how the public attempts to "beat" the Customs, and of how the Customs authorities beat the public. This absorbingly interesting narrative is by J. D. Ronald who, as a Customs officer, came into close touch with offenders and offences. A semi-detective article, this true story makes great reading.

Stringer, Fraser, Leacock and Hendryx

The work of these masters of the short and long story appears in the October MACLEAN'S. Stringer's story is "The Redeemer of Waste Lands". W. A. Fraser writes a love story, "For Catherine's Sake"; Leacock has a humorous sketch; and Hendryx continues his captivating story of the Canadian Northwest, "The Gun Brand."

MacLean's Magazine for October

At All News-dealers 15 cents

NEWS OF SECURITIES

Continued from page 3

the labor is female and so conscription will have little effect. The year ends on Nov. 30. During the present year 10½ per cent. has been paid in three instalments, on account of back dividends.

CANADIAN CONNECTICUT COTTONS.

The Canadian Connecticut Cotton Mills, Limited, must be added to the list of the textile mills that are making extensions during the war. Elaborate plans are under way for increasing the plant of the Sherbrooke mill so that it will eventually be trebled. Already a small portion is in operation and the rest is being placed in commission as soon as the labor can be trained. The mills have a contract with four of the leading automobile tire makers in Canada that will take care of the original volume of output until 1919, but expect no trouble in marketing the greatly increased output of the new equipment. Such was the information given to THE FINANCIAL POST by one of those closely connected with the company. The preferred stock pays 7 per cent. but nothing has been paid on common yet. There is $1,000,000 of the latter and $302,300 of the former. The stock is not listed.

PATON MFG. CO.

The scarcity of operatives that was reported a few weeks ago in connection with the Paton Mfg. Co. still continues almost as serious as before, and is interfering with the output of the mill and the acceptance of orders. In spite of the fact that the trade is handicapped by rather heavy stocks of a kind, THE FINANCIAL POST was informed this week that the Paton mills have a market for all they can turn out for domestic trade and are unable to accept any United States business. They are still troubled with scarcity of wool as the shipments from Australia and New Zealand are far below the requirements of Canadian mills. The stock has not been dealt in for some time, and stood at 130 at the last sale, which showed an advance of 28½ points above last year's best. Paton in this respect is in an almost unique position.

CANADIAN COTTONS.

The mills of Canadian Cottons are still busy with the mass of orders on hand, although the outlook for early next year is for a greatly diminished volume in bulk, as ordering for Spring is being cut down considerably by the trade. This has long been regarded as inevitable and the mills will be well prepared. The stock was inactive, and no sales were made. The last figures, one week ago, were 48½ for the common, and 75½ for preferred.

DOMINION TEXTILE.

It would seem that the Dominion Textile Company's holders of stock have so firm a faith that they are uninfluenced by any weakness in the stock market. Last week Textile held firm at 81, and opened this week at the same figure. On Wednesday sales were made at 81⅞, a gain of ⅞ for the week. Preferred was not touched.

MONARCH KNITTING.

Some slackening of orders from domestic sources is reported, although so far Monarch Knitting Mills, both for sweater coats, and hosiery, have been kept well engaged. The outlook for Spring buying is that it will continue to be lighter than for the corresponding period of one year ago. No sales were made either of common or preferred.

TRANSPORTATION

New Dominion Board Should Improve Transportation Service, But Higher Rates Are Needed.

The significant event of the week in transportation circles was the announcement from Ottawa of the formation of a joint railway board, with representatives of six companies, for the purpose of improving the efficiency of the service to the country, through co-ordination of effort and systematic handling of freights. The board is composed of the presidents of the C. P. R., C. N. R., G. T. R., G. T. P., Government Railways, and New York Central, and it will advise and direct the work of a further general committee, which will be formed of the operating officers, and will deal with all questions pertaining to car supply, diversion of traffic, and train movements.

The formation of this board should do much to improve the transportation service to the country. Such action was taken in the United States shortly after that country entered the war, and there has been a large increase in the volume of business handled. In Canada perhaps cooperative action was not so badly needed owing to there being a less intricate system and fewer controlling boards; but in view of the shortage of rolling stock and motive power, and considering that the volume of traffic has so greatly increased, no doubt much can be accomplished by cooperation. The manner in which traffic has increased in Canada since the outbreak of the war is indicated in the following comparative figures of gross earnings:

	July, 1914	July, 1917	Change
C.P.R.	$10,041,000	$12,925,000	+$2,884,000
C.N.R.	1,594,300	3,844,900	+ 2,250,600
G.T.R.	4,724,117	6,001,780	+ 1,277,663
	$16,359,417	$22,771,680	+$6,412,263

But it is questionable if this cooperative movement alone will at this time relieve the situation. In this issue THE FINANCIAL POST prints a long interview with Chairman Smithers, of the Grand Trunk board, on this question, in which he points out that a grave situation is being faced because the rates are not high enough to offset the rapidly-increasing cost of operation through higher wages and more costly fuel, rolling stock and general supplies.

This question of freight rates is also a live issue in the transportation situation in the United States. The reports from the other side of the border indicate that more favorable consideration is now being given to the application of the roads, and if the 15 per cent. increase is granted to the American systems similar action may be taken in Canada.

Labor demands continue to be a large problem for the railroads, and recent information is to the effect that employees in practically all departments of the roads operating in Canada and the United States will in the near future make further demands for increases which will average about 20 per cent.

GRAND TRUNK.

The case of the Grand Trunk in relation to the application for increased freight rates as presented by A. W. Smithers the chairman of the board in an interview with THE FINANCIAL POST at Toronto this week is presented in this issue. The company is quite obviously in need of higher returns than it has been receiving for some time. This may be judged from the following figures which show that despite the large increase in gross returns there has been no improvement in the net while expenses continue to increase:—

	Gross	Expenses	Net
July, 1914	$4,724,517	$3,699,800	$1,024,717
Aug., 1917	6,191,000	5,109,500	1,081,500

That the increases in operating expenses have been altogether forced upon the company and not a reflection of extravagance may be judged from the following statement of Mr. Smithers after spending a month in touring the lines of the system:—

"When I consider that we have had three years of war, with ever-increasing difficulties arising from the impossibility of obtaining supplies of new rails and new rolling stock, the deficiency of labor and the heavily increased cost of labor, I am agreeably surprised at the way in which our staff have been able to keep up the condition of the railway, both here and in the West, and the loyal way in which the officers have worked to maintain the greatest possible efficiency in the service necessary to serve the public."

A still further increase in the company's wage bill is indicated by the announcement that the company has agreed to grant the engineers and firemen on all its lines the benefit of the Adamson eight-hour-day law as it obtains in the United States. The men have also been granted an increase in wages. The engineers and firemen employed in the company's lines in the United States have been working under the Adamson measure since it became law. An official statement from the company in reference to the changes is expected shortly.

Negotiations are still continuing between the Grand Trunk Railway Company and its engineers and firemen, and conductors and trainmen, for increases of salary aggregating $2,000,000 as announced in THE FINANCIAL POST last week. Progress has been made since then in the recognition of an eight-hour day for the engineers and firemen, as enacted by the Adamson law in the United States. This provides that when a man has run for eight hours he must be paid for overtime to bring in his train, and in itself amounts to a considerable increase in the wage sheet. This increase in the cost of operation will contribute, no doubt, to the announced intention of the chairman to pass dividends.

Commenting on the action of the Grand Trunk board in passing the dividend recently, the London Times says: "Last year the company made a substantial recovery, its surplus being increased by nearly £300,000, which enabled the second preference, as well as the guaranteed and first preference stockholders, to receive their full yearly rates. The working expense ratio was lower, the proportion to receipts declining from 78.05 per cent. to 71.36 per cent. But this year the great rise in the prices of all materials and higher wages has completely altered the financial aspect of the company's affairs. The August traffic return shows that, although gross receipts were higher on all lines, the net receipts were lower. On the Grand Trunk itself the aggregate gross increase is £831,750, but this has been more than swallowed up by the increase in expenses, for the net earnings show a decrease of £247,700. The gross receipts on all lines down to the end of August were £860,000 larger, yet the net earnings show a decrease of no less than £643,000."

The Grand Trunk Railway gross earnings for the week ending October 14th, were higher by $12,410 or .9 per cent. than for the corresponding period in 1916. For the week the earnings amounted to $1,312,505 against $1,300,095 for the same period last year. As compared with the figures for the first week in October there was a falling off of $29,545. Comparative figures follow:

	1917	1916	Inc.	%
Oct. 7	$1,342,050	$1,319,090	$22,960	1.7
Oct. 14	1,312,505	1,300,095	12,410	.9

For the week ending September 21, the gross earnings of the Grand Trunk Pacific Railway Company amounted to £24.371 compared with £16,983 for the corresponding period in 1916, an increase of £7,388, while from July 1, to September 21, the earnings were £268,058 against £187,951, an increase of £80,107.

CANADIAN NORTHERN.

For the second week in October the Canadian Northern Railway System reports gross earnings at $960,600 as compared with $847,700 for the corresponding period in 1916, and $758,500 for the first seven days of the month. As compared with the figures for last year there is a gain of $112,900 or 13.3 per cent. and a gain of $202,100 over the figures for the previous week. For the month to date the earnings are as follows:

	1917	1916	Inc.	%
Oct. 7	$758,500	$857,400	*$98,900	11.6
Oct. 14	960,600	847,700	112,900	13.3

*Decrease.

From July 1, to October 14th the earnings amounted to $12,310,900 against $12,412,100 in 1916, a decrease of $101,200.

It is announced from Ottawa that the agreement by which the Government will acquire $60,000,000 of the common stock of the Canadian Northern will be completed next week. On the Board of Arbitration the Government will be represented, as already announced, by Sir William Meredith, Chief Justice of Ontario. The stockholders and pledgees will, it is reported, be represented by Hon. F. H. Phippen, of Toronto, who has held the office of general counsel of the Canadian Northern Railway Company. Sir William Meredith and Mr. Phippen will name the third arbitrator, and if they fail to agree, the selection will be made by the senior judge of the Exchequer Court of Canada, Sir Walter Cassels.

There is difference of opinion at Ottawa as to whether the maximum limit of price the Government will put on the Canadian Northern stock will be $10,000,000 or $15,000,000. The Government has decided to have the Canadian Northern board undisturbed for a time, except for placing Hon. Frank Cochrane at its head.

GRAND TRUNK PACIFIC.

The adjourned annual meeting of the Grand Trunk Pacific was held at Montreal this week on the return of the party of officials from their Western tour. In reviewing the results for the past year, the chairman, Alfred W. Smithers, said it was gratifying to note an improvement, although much remains to be accomplished before the property could be on a self-sustaining basis. This condition, however, could only be the natural result of constructing lines of transportation through hitherto unsettled and undeveloped country, and was the history of all other transportation lines. It was therefore encouraging to note marked improvement in these conditions from year to year as the advent of the railway had made possible the discovery and opening of almost unlimited natural resources. Notwithstanding the stopping of foreign immigration during the war, a very considerable immigration from the United States, well equipped financially for farming and other pursuits, continued to go into the new country, and in addition to the increased acreage taken up, a number of lumber mills along the Fraser River, in British Columbia, had been built to supply the increasing demand for lumber on the prairies, all of which made traffic for the railway.

CANADIAN PACIFIC.

Gross earnings of the Canadian Pacific Railway for the week ending October 14th amounted to $3,333,000 against $3,034,000 for the corresponding period in 1916, an increase of $299,000 or 9.8 per cent. As compared with the figures for the first seven days of the month there is a gain of $491,000. Following are comparative figures:

	1917	1916	Inc.	%
Oct. 7	$2,842,000	$2,966,000	*$124,000	4.2
Oct. 14	3,333,000	3,034,000	299,000	9.8

*Decrease.

The fact that railway labor is making further demands, as indicated by the calls which have been made upon the G.T.R. and are still being considered by that road, promises to have an effect also upon the situation so far as the C.P.R. is concerned. In fact, demands for increases are already being made in some departments.

During the week the stock maintained a steady position, a few sales being made at 149, which is on a par with last week's price.

CANADA STEAMSHIPS.

The upper lakes boats of Canada Steamships have still all the contracts they can fill in the carrying of coal and of iron ore. So far little has been carried of the new wheat crop, most of this travelling by rail. As the year draws to a close the outlook for a report of even greater earnings than last year appears very bright. Rates have been considerably ahead of last year, and although the passenger service that is created by the tourist trade fell short of 1916, this really bulks so small as compared with the freight business that the other will swing it above the line. Any reductions that are made in trans-ocean rates, it is understood, will not affect Canada Steamships, as their boats are under contract to the French Government mainly, and for long terms that are expected to coincide with the termination of the war.

Canada Steamships common, which has been one of the firmest of the more speculative issues in the recent decline, suffered a slight setback this week and sold as low as 38½, with a measure of recovery later which left little net change from last week. The company's prospects are well regarded, as it is considered that, even though the war should end in the near future, there will be a shortage of tonnage and attendant high rates for ocean freights for some years to come. The German threat to blockade the Canadian and American coasts with submarines did not have any effect upon steamer stocks, but it cannot be doubted but that the submarine menace is still one demanding serious consideration.

The Montreal Star says that the strength recently displayed by Canada Steamships common in the face of the general weakness, was symbolic of the faith displayed by the insiders, which was exemplified by the support which was accorded the stock. This is due to the fact that earnings are running at a very high rate, and the company is in an excellent position financially, with all arrears of preferred cared for and ample provision made for all allowances required for depreciation, etc. The outlook for the company is considered highly attractive in the street.

PACIFIC GREAT EASTERN.

Advices from Victoria are to the effect that provincial credit will be extended to the Pacific Great Eastern Railway Company to the end that the contract which the company let last November for some 21,000 tons of steel rails to the United States Steel Corporation may be held. The prices at which the company let the contract last November was approximately $800,000, and the cost of the rails, plates and other accessories ordered at that time would, when landed in British Columbia, aggregates $1,250,000. At present prices it is estimated there is shown a profit of $1,000,000 on the contract entered into by the company last November.

ELECTRIC RAILWAYS

Prices of Utility Stocks Recede Under Small Volume of Liquidating Sales.

There has been no improvement in the trend of the market for electric railway and other public utility stocks during the week. The recession of prices does not appear to have been so general as for some time previous but there were pronounced declines in some quarters and new low levels recorded. The electric railways and the other utilities appear to be facing a difficult period and there does not appear to be any improvement in the outlook either from the standpoint of operating costs or revenues.

The power situation throughout the province is attracting considerable attention. It is evident that Sir Adam Beck is in something of a dilemma. He is faced with a shortage of power and has to decide between cutting off supplies going to the United States and the services being given to the municipalities. The municipalities demand that they be given their full supply. This puts the Power Minister in the position of having to consider cutting off supplies going to the United States. Action in this direction is almost certain to be followed by an agitation on the part of power consumers on the other side of the line that Canada's coal allowances be reduced if for no other reason than that they require coal for the generation of power if they are not to have all they want from the Niagara developments.

Another interesting phase of the situation is the fact that the Commission is now considering the purchase of the private developments at the Falls. This is a big project and will involve large financial operations.

DETROIT UNITED.

A further decline in Detroit United was indicated this week, the price going as low as 106. This readjustment is not considered as reflecting any material change in the company's actual position. In fact, more favorable earnings statements are being looked for. It is reported that the statement to be submitted at the end of the current month will show an increase in the net in contrast with the decreases which have recently been reported. This more favorable showing is said to be the result of improved conditions as regards the coal supply; price-fixing has cut the price of fuel to the company.

DULUTH-SUPERIOR.

Duluth-Superior has continued unchanged at 43 during the week, with few sales. Followers of this security take the attitude that, in view of its earnings and dividend, it is an outstanding example of the attitude of the market, especially towards public utility stocks.

PORTO RICO.

Porto Rico common sold this week at 30, the sale being the first on the Canadian exchanges since the middle of April. The last previous sale at the time referred was at 38, so that the period has seen a readjustment of 8 points.

QUEBEC RAILWAY.

Another point was lost by Quebec Railway this week, which fell to 15. There was no news regarding the company and the decline is regarded as a development of the general market situation.

TORONTO RAILWAY.

Toronto Railway again developed weakness this week and sold down to 61, with a few sales fractionally below that figure. During the previous two weeks the price had been pretty well maintained on the level struck after the sharp decline at the end of September. There appears to be no information available for the shareholders for guidance in the situation. Whether the dividend will be reduced, whether the earnings of subsidiaries are being maintained or whether the stock may suffer as the result of developments in connection with the plan of campaign of the Hydro Commission, are points upon which the holders of the stock are left very much in the dark, and there is no indication that the official attitude in this connection will change.

An interesting development during the week was the rather dramatic course of the Electrical Development Company in the inquiry being conducted by commission to determine as to whether the company had exceeded its rights in regard to the amount of power developed and also to settle the interpretation of this feature of the company's charter agreement. The attitude of the company has been that the matter cannot be decided by a commission, but only by the courts, and to those who appreciate the company's position the withdrawal did not come as a matter for surprise. Whatever the outcome of the inquiry, the company will undoubtedly endeavor to have the matter taken up by the courts which have proper jurisdiction in the matter. The chief point to be decided as to the amount of water taken is as to whether the agreement covers average development or "peak load," the company contending that 125,000 horsepower "for commercial purposes" means the right to develop an average of that amount.

MONTREAL TRAMWAYS.

An order issued in November, 1915, against the Montreal Tramways Company, the Montreal Public Service Corporation and the Montreal Light, Heat & Power Company to put into underground conduits all their wires in District No. 4, bounded by St. Lawrence, Notre Dame, Victoria Square and Craig, is still unenforced and this week the city applied to the Public Utilities Commission to force the carrying out of the order. The defence of the three corporations was the excessive cost of labor and materials, and finally the impossibility of securing these materials at any price. The estimates as to the cost of the underground operations as supplied to THE FINANCIAL POST were $450,000 for Tramways, and $75,000 for each of the other two. The cost of the copper wire per lineal foot has gone up from $1.19 to $2.94 since the beginning of the war. Even beyond the question of cost it is submitted that a supply of copper cannot be obtained.

"An application has to be made to Ottawa first, to the Munitions Board, which will determine whether the copper is required for war purposes or not, including munitions and transportation of goods to and from munition plants. An affirmative is then referred to the Munitions Board of the Allies at Washington, and finally to the American Munitions Board, for determination as to whether the war purpose is as urgent as some other war purpose that may require copper at the same time." Where would be the application from Montreal, it is asked. The Commission adjourned the hearing to give the City Counsel an opportunity to reply to this point, which seemed to take him unawares.

Montreal Tramways hopes that the city's application will be refused for the present, which would save the company close to $300,000, and a large extra for labor, lead, paper, etc., all of which would go to swell the costs during war conditions.

There have been no transactions in the stock this week, although one week ago a couple of shares were exchanged at 165.

LONDON AND LAKE ERIE.

Friday's press despatches report a meeting at St. Thomas of representatives of municipalities through which the London & Lake Erie Transportation Company's line runs at which it was pointed out by the management that operating expenses were approximately $12,000 a year in excess of revenue, and for this reason the road would have to be closed unless financial aid was forthcoming. Representatives of St. Thomas, Port Stanley, Yarmouth and Westminster were agreeable to making a grant divided proportionately among the municipalities to cover the deficit in the proceeds of five years, at the end of which time it was hoped some other solution of the difficulty could be found. London's representatives were non-committal, believing that a road which runs in competition with London's own line would never pay if operated as at present. Another meeting will be called in a few days, when President Wood's answer to the municipalities' proposal is received.

WINNIPEG ELECTRIC.

In connection with the transportation problem in Winnipeg, the Citizens' Research League has made an exhaustive inquiry, particularly with regard to the jitney traffic. The whole situation is reviewed at length. The following recommendations appear to be of special significance:

"A proposal, which seems reasonable and practical, has recently been made that the city should be represented on the board of directors of the Winnipeg Street Railway Company by two persons, nominated by the city council but not necessarily members of it, who should have the same powers as other members of the board and whose duty it should be to care for the city's interests and keep the citizens' point of view constantly before the board.

"The league considers that the present system of operating jitneys and street cars is not in the best interests of the public and suggests that a committee representing the city council, the jitney owners, the Winnipeg Electric Railway Company, and the public utility commissioner meet and formulate an equitable system to improve the efficiency of both services for the routing and handling of the passenger traffic of the city. If the different interests cannot agree, the Public Utility Commissioner might act as referee."

BARCELONA.

The weakness in Barcelona continued to make itself evident this week, and the price dropped as low as 8¾. Up to a fortnight ago the low point of the year was 10; last week 9⅛ was touched. The decline came with heavier realizing than has been evident for some time.

BRAZILIAN.

Under a heavier volume of selling than has been in evidence for some time, Brazilian was hammered down as low as 36½ this week. This is not only the lowest price of the year, but the lowest in the history of the stock. Over eight thousand shares changed hands on Tuesday, Wednesday and Thursday. There is no information available from official sources as to recent developments in the company's affairs, any more than the earnings statements, which do not provide an adequate explanation. The weakness is believed to be a reflection of the increasing difficulties of the company in relation to operating costs, coupled with the general trend of the market.

LIGHT AND POWER

DEMERARA ELECTRIC.

The Demerara Electric Company is hard up against it in the fuel problem. There is no water power available and coal that once could be purchased at $6.00 a ton now costs $20.00. Wood has been used for fuel for some time, but this now has become scarce and shows signs of exhaustion, or at least has to be brought such long distances that it is becoming impracticable to transport it to the furnaces. The directors are seriously considering the situation and hope to find a way out of the company's difficulties. The bond interest is being regularly paid but no dividends have been declared for some time. A short term loan which should have been met some months ago is unredeemed but there is no uneasiness on that account as proper provision has been made. The expectation is that some changes will be made in the course of time which will put the company on a better footing. There is a possibility that the plant may have to shut down temporarily because of the fuel situation and pending a re-arrangement of its finances, but, as previously remarked, the directors hope that eventually Demerara Electric will come out all right.

CONSUMERS' GAS.

Consumers' Gas lost another point to 147 this week, but later recovered to 148, which is the same level as last week. The trend of prices here is considered as being a direct reflection of the general investment situation, and the decline in the value of high-class securities.

SOUTHERN CANADA POWER.

Pointing out that the present monthly earnings are running ahead of the estimate, Nesbitt, Thomson & Company, direct special attention in their market circular to the bonds of the Southern Canada Power company. The company operates in a territory covering 3,000 square miles with a population of nearly half a million in which it owns the only large block of power. It is, therefore, considered hardly conceivable that the future of the concern will not more than bear out the reports of the engineers. The company believes that public utility bonds generally have shown such a decrease as warrants buying at the present prices.

CIVIC INVESTMENT.

The excessive cost of materials and of labor constituted the defence of the Montreal Light, Heat & Power Co., in an attempt by the city of Montreal this week to compel the installation of a gas service on a street. The increase in costs, it was claimed, would prevent the service paying the regular 6 per cent. on the investment. Further argument will be heard. The Civic Investment & Industrial Company, which operates Montreal Light, Heat & Power Co., announced the regular dividend this week of 2 per cent. for the quarter on the Montreal stock, to shareholders of record, Oct. 31. As has been stated before only a very small percentage of the original shareholders still retain the Montreal stock; the great majority took in exchange Civic stock on a basis of three shares for one.

Civic, also on its own account, announced its fifth quarterly dividend this week of one per cent. to holders of record Oct. 31. The earnings of Civic are running far ahead of last year, and a very prosperous year is looked for. The stock is feeling, to a slight extent only, the general weakness of the market. Last week it declined from 72 to 71, and this week has been running between 71 and 70, although the higher figure was the prevailing price.

SHAWINIGAN.

Business of the Shawinigan Water & Power Co. continues to increase steadily, and with the completion of the Government work the supply of power available for the new customers will be augmented greatly. No definite arrangements have been made yet for the increase of the capital stock from $20,000,000 to $25,000,000, which was decided upon by the directors a few weeks ago.

KAMINISTIQUIA.

The fiscal year of the Kaministiquia Power Company, which will be brought to a close with the end of October, has been moderately successful. The annual report will not be ready for distribution among the shareholders much before mid-December, or possibly a little later. While no absolute facts are presently available, it is expected that the net earnings will be about the same as last year, when the net income amounted to $193,297. J. S. Norris, the assistant secretary and treasurer, says that the prospects seem to be a little brighter than usual. "In this connection," he adds, "it is remarkable that we have had a lot of enquiries for power for pulp and paper mills that are evidently contemplating establishing themselves in our field to use up the vast timber resources of that section of the country."

OTHER STOCKS

There Appear to be no Favorites in the General Readjustment Which is Taking Place.

There appears to be no department of the market unaffected in the present movement to lower levels. Here and there are stocks which appear as solid spots in the general softness but they are likely to show a surprising lack of resistance if selling pressure makes its appearance. On the other hand the market is so narrow that a small buying demand is likely to find that there are very few shares available. Generally speaking the better investment securities appear to be a good buy at present, even though the market may go lower, while the speculative issues are regarded with mixed feelings. Undoubtedly they too are due for a rebound but what may happen in the interval is another question.

ASBESTOS CORPORATION.

Reports this week indicate that there is every prospect that the profits of the Asbestos Corporation will be greater this year than a year ago, which latter year was the best in the history of the company. The profits amounted to $537,938, including other income, in the year 1916. Deducting therefrom $322,462 for bond interest and expenditure on renewals and betterment, left surplus of $215,476 for the year, to be added to the previous surplus, making total surplus of $500,102, besides a special reserve of $40,000, against possible loss on accounts outstanding. This surplus compared with $93,594 for 1915. The company's principal difficulty during the past year seems to have been in connection with the labor supply.

ATLANTIC SUGAR.

A rather serious situation has arisen in the Canadian sugar industry owing to the scarcity of raw supplies. As reported in another column, D. Lorne McGibbon, president of the Atlantic Sugar Refineries, states that orders have been issued by the International Sugar Commission that no bids are to be made on the part of Canada for the balance of the Cuban crop now in the United States. It is believed that the International Commission will take control of the raw supplies. On the present basis of the cost of raw material Mr. McGibbon states that it is impossible for Canadian refiners to produce sugar for 9 cents, the present price to the retailer. Under such circumstances it must be expected that conditions will reflect upon profits to refiners if some change is not made in the regulations.

A. MACDONALD.

After declining a point to 14 last week, Macdonald common went off a further half this week, to 13½. THE FINANCIAL POST has written to officials of the company for information as to the present situation, but has received no information other than that business is very satisfactory. The stock is probably being affected by the general conditions in the investment market.

B. C. PACKERS.

Some activity developed in the stock of this company during the past week, and showed quite an advance over the last recorded sales. The very keen demand that is in evidence for all grades of salmon and the very satisfactory prices being obtained for even the grades that usually have rather to go a begging for buyers, is putting a fairly satisfactory complexion on the B. C. packing industry. This better feeling is evidenced in the sales of the past week, at 40—about a four point advance on the prices of the previous week. There were no sales in the preferred.

BELL TELEPHONE.

Unlike the great majority of public service corporations this year the Bell Telephone Company is not worrying overmuch about the increasing costs of operation. Not that wages and the costs of materials have not advanced in the telephone business, but the gross earnings have increased in proportion. As the president, L. B. McFarlane, expressed it in a statement this week to THE FINANCIAL POST, "Our 'curve' has been in the right direction. If it had not been for the increase in business we would have felt the problem of constantly increasing costs, but as it is, while many companies such as electric, and gas, steam roads and radials, are applying for advances in their charges, we have no immediate intention of doing so."

The growth in the Bell business, particularly the long-distance end, reflects prosperous conditions in the commercial world, according to Mr. McFarlane. "The only time that our business dropped was in the latter part of 1914 when people cancelled their phones, thinking they could not afford them. Some did without them for a week, others for a month. By the end of the year the greater part had ordered them back and we were up to normal early in the new year. Since that time there has been a steady increase in our gross earnings."

The scarcity of labor and the high cost of copper and other materials are interfering with extensions of lines. "It is very difficult to get copper," said the president, "and although the Government fixed the price of copper at 23½ cents they are asking 27½ to 28 for second hand copper. Already 667 of our employees have enlisted and we are looking for a large number to be taken by conscription."

The Bell Telephone Company is reinforcing their long distance equipment so that conversation can be more clearly understood at much greater distances than heretofore. A set of Audion Repeaters, for instance, has been added to the Kingston office so that long distance messages may be heard more distinctly between Quebec and London and Windsor, etc. This will be done to assist in all cases where the distance exceeds 500 miles, so that a "commercial" connection, absolutely clear no matter what the distance, may be the result. A short time ago a commercial conversation was arranged between Vancouver and Washington, via San Francisco and New York, the longest recorded to date on this continent. With the new equipment the Bell Company expects to increase considerably the long-distance business.

Discussing the recent decline in the selling price of the Bell Telephone stock Mr. McFarlane states that this does not in any way reflect the conditions which are quite normal. He calls attention to the three general influences which are at work in the investment market: (1) Liquidation by holders desiring to purchase Victory or other war bonds; (2) Responding to the principles of higher income; (3) A reflection of the break in other markets. He points out too that transactions are very limited and the movement, therefore, not of great consequence.

The stock showed a slight improvement this week, selling up to 131, after being down to 129.

CITY DAIRY.

Until the end of the present month, and the announcement by Food Controller Hanna of the arrangement he proposes in connection with the milk supply following the investigation of the Milk Committee, the situation so far as the City Dairy Co. is concerned remains unchanged and still more or less unsettled. Business is being done currently on the basis of the temporary arrangement made on the recommendation of the Food Controller between the producers and the distributors. President C. B. McNaught of City Dairy states his confidence that the Food Controller will endeavor to arrange matters on an equitable basis as between the producer and distributor and that he will recognize the necessity of such companies as City Dairy making a reasonable profit on their investment if they are to continue the service for which they were organized.

Bids of 30 for the common and 60 for the preferred are steadily maintained. The first sale in several weeks took place in the latter at the figure mentioned, when 10 shares changed hands.

CANADA BREAD.

The announcement during the week that the Food Controller had decided, as a basis for the price of flour, to allow 25c per barrel to the miller above the price of wheat, is of interest to the shareholders of such concerns as Canada Bread Company. However, it is not anticipated that there will be any material change so long as the price of wheat remains where it is, as the 25c margin, the millers claim, is about all they have been getting since the price-fixing took place. A slight reduction, say of 25c per barrel, may possibly be made when the new arrangement goes into effect on November 1st. Such a reduction would likely be of advantage to the bread companies, as it would not be sufficient to warrant any change in the retail price of bread. Canada Bread common sold this week at 15-14¾, as compared with a last previous of 15, but the reduction is probably only an indication of the softness of the market rather than of any change in the company's position. There are no quotations for the preferred.

CARRIAGE FACTORIES.

After dropping 4 points to 16 last week, Carriage Factories sold this week at one point lower. This is evidently another of the stocks which has shown lack of resistance to a small volume of selling.

CANADA CEMENT.

When Canada Cement this week dropped off to 57¾, after having made a fairly consistent showing during the recent weak spell, it touched the low mark since February. There was no particular news regarding the company's position and nothing to indicate that the marking down was due to anything other than the general softness. The preferred sold this week at 92-91, which indicates little change from the recent basis.

CANADIAN EXPLOSIVES.

The order for high explosives that Curtiss & Harvey could not accept through their decision not to rebuild the Dragon plant, has not been definitely secured by Canadian Explosives, "but we are in a fair way to land it," said Wm. McMaster, the president, to THE FINANCIAL POST on Thursday. "The report that this would amount to several millions is absurd; the amount is about one million." In general business Mr. McMaster reported that his plants were not receiving as large orders as before, but were experiencing the results of the general cutting down that was going on all over Canada. Curtiss & Harvey, Canada, Ltd., have been wound up.

DOMINION CANNERS.

The lifting of the canned goods embargo on Monday of this week will once again put these products under sale in all parts of the country. As yet the canners have not named a price on tomatoes and corn. The pack of these two commodities, however, is known to be so light that high prices are generally expected. It is felt that high prices will be necessary to compensate for the decrease in output. It would hardly be a surprise if the new prices quoted were on a line with the present wholesale price. There is no chance for Dominion Canners Company to go into the American market to make up stocks, for the American pack is also very far below the average and it is doubtful if there will be anything to spare. Therefore, the possibility of the company adding to earnings in this way is hardly a possibility.

There was no sale in the company's stock during the past week. The last sale of the common was at 22 and in the preferred 75.

GENERAL ELECTRIC.

Canadian General Electric was further affected this week by the general readjustment of the market, selling down to 100, but later recovering slightly. The best showing this year was 115½ in January. The decline for the week was from a high of 103 last week, but the bulk of the business was at 101.

INTERNATIONAL PETROLEUM.

The report of International Petroleum, made public during the week, for the year ending December 31st last, showed earnings of $905,614 or 13¼ per cent. on the outstanding stock of the company. The showing is regarded as satisfactory and is about what had been expected. There was no reflection of its effect so far as the Canadian market was concerned and the figures had no doubt been fully discounted in the intervening months. There were no sales of the stock during the week. Last week the basis was $12.50 to $13, which was slightly below the previous week, but on a par with the average of the past month or so. Increases in capital have brought the total of the preferred up to $500,000 and the common to $6,265,000.

The taxation difficulties with which the company has had to contend are dealt with at considerable length. Despite representations of the company the Peruvian government in August passed a measure requiring the company to pay an assessment of 6s per ton on crude petroleum and fuel oil and 9s per ton on finished products of the Talara refinery. The taxes are, however, not fixed but subject to fluctuation according to the well price of Pennsylvania crude. Negotiations between the company and the Peruvian government regarding mining taxes have not as yet resulted in securing legislation to confirm an agreement made last fall.

The balance sheet shows property assets at $6,223,000, and other investments $346,000, stocks and material on hand $1,942,000, accounts and bills receivable, $2,177,000, and cash $498,000. The balance accredited to profit and loss at the end of the year was $905,614, the undivided profits at the end of 1915 being $395,482. The annual meeting will be held in December.

Have You Already Appointed A Personal Executor?

If so, have you faced the following possibilities?

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2. That he may die before your estate is fully administered.
3. That he may be ill or away when your estate needs him most.
4. That his training may not qualify him to deal with the kind of property of which your estate is made up.
5. That his financial resources may not be sufficient to make him responsible for the amount of property which is given him to manage.

If any of these possibilities suggests to you that it is advisable to protect your Estate by safeguards additional to those which you have already supplied, our officers are happy to be consulted.

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For further particulars see our booklet "The Canadian Northern Rockies," or apply to the General Passenger Department, Montreal, Que.; Toronto, Ont.; Winnipeg, Man.

CANADIAN NORTHERN RAILWAY

LYALL CONSTRUCTION.

Lyall Construction, common, is continuing its record as an off and on performer. Its last spurt was in the first week of September, and since then not a share has changed hands, nor has there been any recent quotation to indicate the trend of the market.

MACKAY.

In response to an inquiry regarding the market position of the Mackay securities, in which it was pointed out that the decline in such staple investments might cause undue apprehension on the part of shareholders, Clarence H. Mackay, the president of the company, writes THE FINANCIAL POST from New York. After emphasizing that it is a fixed policy of the company not to give information which might seem to be for the purpose of influencing stock prices, Mr. Mackay says: "I know of nothing that warrants any decline in the Mackay companies' shares other than the general conditions of all markets which are practically affecting all stocks on the list, the return on investments, particularly government investments, being very much higher now than for many years past; in other words, the value of money has increased, and hence the value of securities bearing a fixed dividend or interest has decreased. Comparison will show that the Mackay shares have not declined any more, in fact not so much, as various other staple investments.

MARITIME TELEPHONE.

The $100,000 of 6 per cent. bonds offered by the Maritime Telephone and Telegraph Company was not a new issue, but the amount remaining in the treasury of the original authorization. The offer of the bonds was at par and was addressed solely to shareholders. It was stated by officials of the company that the amount was over subscribed. Allotment was made on Monday last. The company appears to be progressing very rapidly, the increase this year, over 1916,

Continued on page 6.

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Write or 'phone for full information.

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing on Oct. 19, in stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active. (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings % 1916	Dividends 1913	1914	1915	1916	Last Dividend Date 1917	Rate	Yield to Oct. 11	BANKS	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	Range 1917 to Oct. 11 High	Date	Low	Date	Close Oct. 19 1916 Ask	Bid	Close Oct. 19 Ask	Bid	Week ending Oct. 18 High	Low	Last	Sales
4,866,666	3,017,333	332,955	11 24	8	8	7	7	8th Apr.	s. 3	5.35	British North America	150	145	145	145	112	110	112	Jan. 29	112	Jan. 29								
15,000,000	13,000,000	802,319	16 26	10+2	10+2	10+2	10+2	1st Sept.	q. 2½	5.40	Commerce	218	199½	205	203	203	183	188	Feb. 27	183	Apr. 5	186	186		185	185¾	185	185	73
6,000,000	7,000,000	363,442	15 78	12+2	12+2	12	12	2nd Oct.	q. 3	5.88	Dominion	233	218	229½	227	220	204	212½	Jan. 9	203	June 28	215	210	202		204	204	204	2
3,000,000	3,300,000	209,556	14 73	12	12	12	12	1st Sept.	q. 3	6.44	Hamilton	207	198	208	201	197	246¾	192	Mar. 17	186	Oct. 10		190						
4,000,000	3,700,000	42,711	13 65	9	9	9	9	1st Sept.	q. 2¼	6.73	Hochelaga	155	149	150	149	149	145	145	Jan. 9	141⅞	Sept. 18			142		142	140	140	13
7,000,000	7,000,000	1,089,656	14 73	12	12	12	12	1st Aug.	q. 3	6.31	Imperial	218	210	214	210	203	180	200½	Jan. 11	190	June 14		198	189	185	190	187	187	22
1,946,373	300,000	42,791	8 44	6¾	7	7	5	1st Sept.	q. 1¼	4.42	Home Bank	116	110																
7,000,000	7,000,000	421,293	16 00	10	10	10	10	1st Aug.	q. 2½	5.88	Merchants	193	177	180	180	180	150	170	Jan. 3	167	July 25	173							
4,000,000	4,800,000	127,649	13 20	11	11	11	11	15th July	q. 2¾	6.11	Molsons	205	194	202	200	195	182	186	May 19	179½	Jan 24			182	178	179½	179¾	179¾	1
16,000,000	16,000,000	1,414,424	13 75	10+2	10+2	10+2	10+2	1st Sept.	q. 2½	4.76	Montreal	250	227½	240	234	240⅛	219	234	Jan. 11	210	Oct. 5				210	210	210	210	143
2,000,000	2,000,000	59,966	20 88	8	8	8	8	1st Aug.	q. 2	5.36	Nationale	133¾	131	132¾	132¾	134	134	149	July 31	134	Feb. 5								
6,500,000	12,000,000	584,654	19 26	14	14	14	14	3rd July	q. 3½	5.60	Nova Scotia	265	257	265	261	261	254	257½	Mar. 9	250	Sept. 21		254	250		250	248½	248½	23
4,000,000	4,750,000	118,179	14 77	12	12	12	12	18th Sept.	q. 3	6.00	Ottawa	208	201	207	207	204	202	202	Mar. 8	200	Feb. 23	202							
12,000,000	12,560,000	852,346	17 59	12	12	12	12	1st Sept.	q. 3	5.74	Royal	228	218	223	221¼	221¼	210	214	Feb. 13	208½	Sept. 21	211		210	208	208¾	208½	208½	13
3,333,242	4,333,242	153,543	17 40	13	13	13	13	1st Aug.	q. 3¼	6.37	Standard	223½	208½	220	215	221	211¼	215	Jan. 2	203	July 25	222	220		201	202	202	202	50
1,212,173	300,000	60,829	13 32	6	6	6	6	15th Aug.	q. 1½	6.12	Sterling	98⅞	98																
5,000,000	6,000,000	507,989	14 60	11+1	11+1	11	11	1st Sept.	q. 2¾	5.78	Toronto	215	203	211	207	215½	190	213	Jan. 30	187½	Sept. 5	197½							
5,000,000	3,400,000	93,160	13 02	8	8+1	8+1	8+1	1st Sept.	q. 2	5.79	Union	147½	137	140½	140	140	132	142	July 30	136	Mar. 29		134	134					

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1914	1915	1916	Last Dividend Date	Rate	Yield	TRANSPORTATION	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	1917 High	Date	Low	Date	Close Oct. 19 1916 Ask	Bid	Close Oct. 19 Ask	Bid	Week High	Low	Last	Sales
27,450,000	10,000,300		4,367,832							Barcelona, T. L. and P.	35⅛	15⅛	17⅜	7⅜	17	19	17	Jan. 4	9⅛	Oct. 11	13⅛	13	9	8¼	9¼	8¾	8⅞	665
106,289,100				6	4	4	1st Mar.	q. 1	9.09	Brazilian Traction L. and P.	92	53½	59¾	45	62⅛	43	47¾	Jan. 2	37	Apr. 20	56¾	56	37	36⅝	38¾	36⅜	36⅞	3,456
	10,000,000			6	6	6	1st Oct.	q. 1½		Brazilian Traction, Pref.																		
12,000,000		9,202,013	1,1951,936							Canada Steamships Lines, Com.			20	6	45	16	45⅝	Aug. 22	29¾	Feb. 3	34⅛	34	39	38⅜	40	38⅛	39	1,766
	12,500,000			3½	6	3½	16th Aug.	q. 1¾	8.86	" " Pref			76½	59	95½	89¾	93¾	Jan. 29	76½	June 12	90	89⅝	76½	75¾	78⅛	75⅛	75¾	515
260,000,000	80,681,921	234,684,062	221,819,770	7+3	10	10	1st Oct.	q. 2½	6.71	Canadian Pacific Railway	219⅝	171⅜	195½	139¾	182½	163¾	167½	July 9	148	Sept. 24	118¼	175	151	150	149	149	149	20
12,500,000		35,974,000	7,871,472	6	6	6¾	1st Sept.	q. 1¾	6.54	Detroit United	73¾	55	73	62	128⅜	69	128	Jan. 3	106½	July 9	118⅛	175	107⅛	106⅛	107⅛	106	106	400
3,500,000	1,500,000	3,410,000	753,332	4	2	p	1st July '15	s. 1	8 66	Duluth Superior Traction Co., Com.	67	55	60	55	49	37	51	Feb. 22	40	Aug. 24		44	45	42	43	43	43	23
12,252,000		3,711,000	1,667,644	3	3	3				Illinois Traction, Com.							35	Sept. 20	35	Sept. 20								
	7,135,500			6	6	6	2nd Oct.	q. 1½	7.59	Illinois Traction, Preferred	95	95	93	91	91	87¾	89	Feb. 22	79	Oct. 11	89		80		80	80	80	5
20,000,000		16,381,333	19,894,836				1st Nov. '13	q. 1¾		Mexico Tramways Co.																		
25,206,800	12,603,400	77,525,200	1,378,975	7	7	7	15th Apr.	s. 3½	.73	Minn., St. P. and S.S.M., com.	134¾	116⅜	126¾	116⅛			181	Jan. 5	144	May 12								
3,343,600		32,608,000	2,428,908	10	10	10	1st Aug.	q. 2½	6.06	Montreal Tramways	230	190	220	220														
9,000,000	4,465,500	14,075,000	94,415	5	5	5	15th Sept.	q. 1¼	6.84	Northern Ohio Traction			73	73			42	Jan. 27	35	Jan. 3	46	45		30	30	30	30	10
3,000,000		3,975,667					1st Oct. '14	p. 1	10 53	Porto Rico Railways Co., Com.	71	45	51	45	49½	30												
	1,000,000			7	7	7	3rd Oct.	q. 1¾	8.75	" " Pref.	103½	101				30					95	90						
9,999,500		10,797,000	562,902				15th Jan. '12	q. 1 p	8.00	Quebec Railway L., Heat & P. Co.	16¾	10	20½	9⅛	45	14	35½	Jan. 2	16	Sept. 5	36		15⅛	15	16	15	15	730
12,000,000		3,184,633	6,257,025	8	8	8	1st Oct.	q. 2	12.50	Toronto Railway	144¾	110	117½	111	111	72	90⅛	Mar. 12	63½	Oct. 1	90½	89	61	60	64½	60⅛	61	364
22,000,000	3,000,000	20,263,000	8,272,009	6	6	6	1st Oct.	q. 1¾	7.77	Twin City, common	108½	99¾	101	93	101	93⅜	95	Jan. 3	77	Oct. 4	97	96⅛	77¾	76¾	77⅓	77	77⅛	105
9,000,000		10,880,000	4,292,068	12	9½		1st Jan. '16	q. 2¾	18.75	Winnipeg Electric	210½	188	186½	180	110	90	81	Jan. 12	36	Aug. 10			48	43	48	48	48	52

TELEGRAPH, LIGHT AND POWER UTILITIES

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1914	1915	1916	Last Dividend Date	Rate	Yield	TELEGRAPH, LIGHT AND POWER	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	1917 High	Date	Low	Date	Close Oct. 19 1916 Ask	Bid	Close Oct. 19 Ask	Bid	Week High	Low	Last	Sales
18,000,000		11,149,000	1,647,955	8	8	8	15th Oct.	q. 2	6.20	Bell Telephone	159¼	140⅜	159	140	152	140	150	Feb. 5	129	Oct. 11	150	148	132	130	131	129	131	218
4,882,000							1st Oct.	q. 2½	6.75	Consumers Gas	180	169	185	176	176	160	165½	May 10	148	Sept. 26	169		150	147	148	147	148	12
1,850,000		2,999,813	271,975							Calgary Power	59	53																
63,717,200			572,614			4	15th Aug.	q. 1	5.63	Civic Investment and Industrial	88	65½	70½	65	69¼	64½	82⅞	Jan 27	71	Sept. 29	81		71	70⅞	71¼	70¾	71	1,393
41,380,400			1,913,344	5	5	5	1st Oct.	q. 1½	7.89	Mackay, common	71	32⅛	46	46	15	15	90	Feb 17	74½	Oct. 9	87	86¼	75¾	75¼	76	75	76	307
	50,000,000			4	4	4	2nd Oct.	q. 1	6.34	" preferred							68	Jan. 16	62½	Oct. 11	67	66	62	60½	63	62¼	62¾	111
13,585,000		21,073,833	318,522	p	p	p	30th Dec. '13	th. q. 1		Mexican Light and Power Co., com.	49⅞																	
	6,000,000			p	p	p	1st Nov. '13	s. 3½	4.73	" pref.																		
3,483,520		1,275,000	778,877	8	7½	6	1st Oct.	q. 1½	8 57	Ottawa, Light, Heat and Power Co.	172	124	123	120	95⅛	92	92	Jan. 17	70	Sept. 1	95			69½	69¾	69¾	69⅝	15
15,000,000		12 440 61	444 279	6	6½	7	10th Oct.	q. 1¾	6.14	Shawinigan Water and Power Co.	142¾	111	139½	110	137	126¾	130½	Jan. 2	113¾	Oct. 11	133¾	133	112¼		113⅜	108¾	109	496

INDUSTRIALS AND MISCELLANEOUS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1914	1915	1916	Last Dividend Date	Rate	Yield	INDUSTRIALS AND MISCELLANEOUS	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	1917 High	Date	Low	Date	Close Oct. 19 1916 Ask	Bid	Close Oct. 19 Ask	Bid	Week High	Low	Last	Sales
5,000,000	1,000,000	5,000,000	360,924			1¾	2nd Oct.	q. 1¾	14.00	Abitibi Pr. and Paper							58⅛	July 31	50	Sept. 29								
6,514,000	7,895,200		525,403	3		6		s. 3		American Cyanamid							20	July 18	19	July 13								
3,500,000		914,000	9,038							Ames Holden McCready Co., com.	16	6	23	7⅞	35	19½	23¾	Jan. 3	14	Aug. 9	23¾	23		40	40	40	40	155
	2,500,000			3½			1st July '14	q. 1¾	14.00	" " pref.	70¼	54	75	55	80½	52	61	Jan. 9	48	Mar. 1	65¾			42	42	38	41½	915
4,215,400			283,768		3½	4	21st May	s. 4	8.75	British Col. Fish, com.																		
7,000,000	2,000,000	1,655,000	484,517				7th May	1+⅛		Brompton Pulp and Paper, com.							53	June 12	42	Oct. 11								
750,000				5	4	6	1st Oct.	q. 1½	9.23	F. N. Burt Company, com.	88	67	72½	70	88	72	85	Feb. 23	65	Sept. 26	61							
	1,975,200			7	7	7	1st Oct.	q. 1¾	7.95	" " pref.	100	89	75	89	96	86	93⅛	Mar. 5	88	Aug. 31				86½	86½	86½	86½	19
2,500,000		1,226,111	105,993							Canada Bread, com.	33	18½	31⅛	29	30	16½	17	Feb. 6	15	May 19	19⅛		15	14	14	13¾	14	100
	1,250,000			7	7	7	1st Oct.	q. 1¾	8.75	" pref.	92	89½	90¼	90	90	87	86½	Jan. 5	80	Oct. 11	95	94						
13,500,000		7,257,613	2,852,818	7	3	4½	16th July	q. 1¼	10.71	Canada Cement, com.	32	28	48½	28	73	37¾	69⅞	Jan. 4	56	Feb. 1			58	57½	58¾	57¾	58¾	1,280
	10,500,000			7	7	7	16th Aug.	q. 1¾	7.60	" pref.	93	98½	98½	89¾	9	86	95¾	Jan. 6	90	Feb. 3			91⅛	90⅛	92	91	91	129
4,186,700		5,539,602	1,927,054	2			2nd June '14	s. 2	16 00	Canadian Car and Foundry, com.	70	48	120	50	75	32	46½	Jan. 4	22	Oct. 10	39⅛		19⅛	18	20	19	19	301
	7,500,000			5½			1st July '14	q. 1¾	13.46	" " pref.	109⅛	98	127	98	94	1¾	89	Jan. 3	50	Oct. 5	75½	74						
1,733,500	4,750,000	399,000	440,377	4	2		15th Aug.	q. 1	5.00	Canadian Converters	40	34	34	34	46	34	43	July 10	39	Feb. 21		30						
2,715,500			1,663,571			2	4th Oct.	q. 1	8.16	Canadian Cottons, Limited com.	39	24	40	24	65	39	56	Jan. 3	46½	Sept. 14	58	57¾						
	3,661,500			6	6	6	4th Oct.	q. 1½	7.77	Canadian Cottons, Limited, pref.	79	70⅛	77	71	82⅛	75⅛	82	Jan. 1	75	Sept. 6	82	81						
1,600,000	1,500,000		1,331,466	6	6	6	15th July	s. 3		Canadian Fairbanks-Morse, pref.	92	92	95	95														
960,000		128,600	753,608		10	10+9	15th Aug.	q. 3	7.27	Canadian Foundries & Forgings, com.					217	170	205	Jan. 4	150	Mar. 28								
	960,000				7+3½	7	15th Aug.	q. 1¾		" " pref.					90	85	94	May 28										
2,000,000		1,545,000	749,322							Canadian Locomotive Co., com.	45	30	64⅛	30	64⅛	51	64	Apr. 12	52⅛	Feb. 3	55	50	57	52	59	58	58	20
	1,500,000			7	7	7	1st Oct.	q. 1¾	8.33	" pref.	90½	85	90	78	99	81	91½	Apr. 11	83	Oct. 3				84½	84½	81⅛	84⅛	70
2,805,500		5,096,500	4,154,124	3			15th Oct. '14		4.44	Can. Consolidated Rubber, com.	91	91	91	91	91	84	99¾	Sept. 19	90	Mar. 22								
	3,000,000			7	7	7	1st Oct.	q. 1¾	7.25	" pref.	97	96½	101	100	97	91	97	July 3	95	Mar. 22	97							
8,000,000			4,112,696	7	7	8	1st Oct.	q. 2	7.84	Canadian General Electric, com.	114⅞	90¼	128	90¾	121	108	115½	Jan. 24	100½	July 6	119¾	118	101⅛	100⅛	102	100	100⅛	308
	2,000,000			7	7	7	1st Oct.	s. 3½	6 66	" pref.			110⅛	110	112	110	106	Feb. 1	94½	Jan. 31								
1,200,000		488,500	315,978							Carriage Factories, Limited, com.			53⅛	35⅛	44	29¾	25	Jan. 13	9½	June 18	36		16	15	15	15	15	25
	1,200,000				3½		15th July '15	q. 1¾	10.00	" pref.			81	75	75	60												
565,000		65,981	55,527	8	8	8	1st Oct. '16	q. 2	7.09	City Dairy, com.	102	98	100	98	98	89	30	Mar. 30										
	700,000			7	7	7	1st Jan.	q. 1¾	11.66	" pref.	101¾	98	102	98	100½	92	70	Apr. 3	60	Aug. 15	97			60	60	60	60	10
6,500,000			1,623,274	7¾	5¾+3	8+12	15th Aug.	q. 2½	7.35	Dominion Bridge Co.	122½	107	230	107	231½	160	170	Jan. 4	125	June 23	214	213	130¾	130	132	129⅛	129⅛	335
791,300		1,838,000	608,415	1⅛			1st Apr. '14	q.		Dominion Canners, com.	68⅞	27½	35	31	22	15	26	Mar. 6	19	Jan. 3	20	17						
	2,290,600			7	1¾		1st Apr. '15	q. 1¾	9.33	" pref.	96	80			65	61½	78	Feb. 7	65	Feb. 3								
37,097,700	7,000,000	22,167,366	8,946,516	p	p	1½ 16	1st Oct.	q. 1	7.0	Dominion Steel Corporation, com.	41⅞	19⅞	51	19⅞	82	43	71¾	Jan. 4	52¾	Feb. 3			55¾	55½	57	55	54¾	5,450
	5,000,000	14,078,533		3½ p	p	7	1st Oct.	s. 3½	7.86	Dominion Iron and Steel, pref.	94	68	96	71	105	90	95	Jan. 3	89	May 28			88		88⅛	88	88	200
15,000,000	3,000,000	6,300,500		7	7	7	1st Aug.	s. 3½	1.06	Dominion Coal, pref.	106	97½	101	98	99	93	96½	Jan. 22	85	July 6								
5,000,000		3,697,500	1,193,534	6	6	6	1st Oct.	q. 1½	7.40	Dominion Textile, com.	86⅞	60	77	64	90⅛	74⅛	89	May 25	76½	Feb. 3	85⅛	85	83	81¾	81⅞	81	81⅛	16
	1,940,600			7	7	7	15th Oct.	q. 1¾	6.90	" pref.	106⅛	100	103	101	105	101	105	Apr. 26	99½	July 5		101		101	101	99⅛	99⅛	23
2,250,500		1,100,000	238,033							Goodwins, Limited, com.	28	23	28	26	40	40												
	1,750,000			5¼			2nd July '14	q. 1¾		" pref.	82	74			75	40	45	Mar. 20										
747,500		261,000	886,226	6	6	6	1st Oct.	q. 1½	6.00	Goulds Manufacturing Co., com.	97¾	97¾					100	Apr. 19										
	747,500			7	7	7	1st Oct.	q. 1¾	7 00	" pref.							100	Oct. 4										
5,660,575	500,000		385,482							International Petroleum							15 30	Mar. 29	11 60	Feb. 2								
40,000,000		8,294,000	4,540							Lake Superior Corporation	22⅛	6⅝	9⅞	9⅞														
2,100,000		900,000	989,135	8	8	8	1st Sept.	q. 2	6.46	Lake of Woods Milling Co., com.	135	127	137	129	136⅛	122	130	Jan. 2	124	Apr. 13				120	120	120	120	30
	1,500,000			7	7	7	1st Sept.	q. 1¾	6 03	" " pref.	120	120	122	120	129	116	116	Jan. 31										
9,600,000		706,090	927,446	8	8	8	1st Oct.	q. 2½	6.06	Laurentide Co.	192¾	160	198	160	217⅛	176	195	Jan. 5	164¾	Oct. 3	196	195		160	160	160	160	115
1,750,000		1,086,900	204,102							Lyall Construction Co., com.					93	25	80	Mar. 21	53	Sept. 5								
	1,300,000		273,020				30th June '13			A. Macdonald Co. com.	21¾	8	14	7	19⅛	10	15⅛	Mar. 12	8	Jan. 5			14	13½	14	13½	13½	325
3,000,000	1,766,800		1,402,332				18th Oct.	q. 2½	10.00	Maple Leaf Milling, com.	47⅞	25	68	30⅛	122	100	115	Mar. 21	90	Feb. 3	115½	114¾	100	95	99	95	99	45
2,500,000						9	18th Oct.	q. 1¾	7.29	" pref.	101	98	98	88	108	93	103	Feb. 10	91¾	Aug. 23	96½	96	93⅛	92¾	93	93	93	12
	2,500,000	825,249	2,21 ,426	7	7	7	15th Sept.	q. 1		Montreal Cottons, Ltd., com.	58	56	56	51	63	50	58½	Jan. 4	49	June 11								
2,949,600				4	4	4	15th Sept.	q. 1¾	7 07	" pref.	103	97¼	100⅛	99	115	99	103	Jan. 24	99	July 25	103			100	100	99	99	31
	3,000,000		292,298	7	7	7	1st Nov. '13	q. 1½		Monarch Knitting Co., com.	40	25	27	25	40	25⅛	40	Jan. 2	30	Oct. 2	35							
1,275,000							1st Aug.	q. 1¾		" pref.	90	82	82	82	83	80	81	Jan. 10	80	Jan. 2	82	80	78		80	80	80	9
	750,000		527,504							National Steel Car, com.							21	Jan. 4	5	Sept. 18			7	5	5⅛	5⅛	5½	5
2,000,000	1,500,000			7	7	7	15th July	q. 1¾		" pref.														19	19	19	19	50
7,500,000		9,787,196	5,535,086			3½	14th July	s. 2½	5.88	Nova Scotia Steel, com.	79	39	107	45¾	154⅛	93¾	128	Jan. 4	82	Oct. 11	136	135⅛	80⅛	79	81	78	79	655
	1,000,000			4½			15th Oct.	q. 2		" pref.	120	110	125	110	115	110	112	Jan. 4	105	June 25								
2,500,000		2,350,000	846,330	6	12	12	1st Oct.	q. 2¼	6.99	Ogilvie Flour, com.	123	107	144	107	152	127⅞	158	Sept. 19	137	Feb. 27				143	143	140	142	60
	2,000,000			8	8	8+4	1st Sept.	q. 1¾		" pref.	117	105	120	113	116	44⅛	115	Jan. 19	110	Aug. 3								
750,000		600,000	123,076	7	7	7				Ont. Steel Products, com.					45	19	34	Jan. 4	18	Mar. 16								
	750,000						15th Aug.	q. 1¾		" pref.					91⅛	73	74	Apr. 14										
650,000			65,174		3	5½	1st July	s. 1	9.09	Pacific-Burt Co. com.					29	20	40	Mar. 20	28	Jan. 9	22							
	650,000			2	2	2	1st July	q. 1¾	5.13	" pref.	32	28	31	28	83¾	77⅛	82	June 8	80	Jan. 3	79							
500,000			644,955	7	7	7	15th Sept.	1+2½	8.75	Paton Manufacturing Co.	85	82⅛	85	80														
2,150,600		2,000,000	2,172,492				15th Aug.	q. 1	6.25	Penmans, Limited, com.	55⅛	48	62	49	78	60	73½	Mar. 26	64	Oct. 10	71	70	65	63	65	65	65	35
	1,075,000			6+3	7+3	8+3	1st Aug.	q. 1½	7.31	" pref.	84⅛	79⅛	83	82	90	82	86	Apr. 10	81½	Jan. 3	85		82	81	82	81¾	81⅞	50
5,000,000		6,185,726	3,055,551	4	4	4+1	16th Sept. '16	1¼		Price Bros.	60	70			132	60⅛	134	July 25	115	Mar. 30								
4,500,000		1,881,500	1,332,870	6	6	6	15th Aug.	1½+1	7.75	Riordan Pulp and Paper, com.					150	59	127	Jan. 3	106	Feb. 3			1'9	117	119¾	115	119¾	566
	1,000,000					3½+1	30th Sept.	q. 1¾	7.69	" pref.							95	Jan. 16	90	Jan. 17				92	92	92	92	15
1,500,000		600,000	526,148	7	7	7	1st Oct.	q. 1½		William A. Rogers, Ltd., com.	147	96	103	96	99	85	80	Feb. 15	65	Apr. 19	89½							
	900,000			8	6	6	1st Oct.	q. 1¾	9.28	" pref.	106	99	99	99	99	87	92	Jan. 4	90	Feb. 14	82¼	89¼						
800,000		Def.	204,009	7	7	7	1st Feb. '13	q. 1¾	11.11	Russell Motor Car, com.	20	5	50	10	114	32	92	Jan. 4	60	Oct. 1	64	61						
	1,200,000						1st Aug. '13	q. 1¾	7.69	" pref.	49	25	76	25	139	66	122	Apr. 3	100	Jan. 1	97	96	75	71	72	72	72	35
1,500,000		617,900	161,611							Sawyer-Massey Co., com.	30	25	33	25	30	20	24	Mar. 16	8	May 21	26	22						
	1,500,000						2nd June '14	q. 1¾		" pref.	88	69	76	69	134⅛	58	41	Oct. 9	40⅛	Oct. 1	72	56						
4,000,000		1,912,500	1,454,361	3½						Sherwin-Williams, com.	60¼	53	57⅛	55	99⅛	53⅛	60	Oct. 11	56	Feb. 5			60		60	60	60	122
	3,100,000						1st Oct.	q. 1¾		" pref.	104	97	100	98⅛	100	97⅛	100	Jan. 6	98	Jan. 11	99			98	98	98	98	7
8,750,000			486,357	7	7	7	1st Oct.	q. 1½+1		Shredded Wheat, com.	90¼	78	102	92	140⅛	102¾	137¾	Mar. 1	122	Sept. 5	133	132						
	1,250,000			6	6	6	1st Oct.	q. 1½		" pref.	94	92½	99	93	120	95	95	Feb. 19	95	Feb. 19								
[illegible]		512,500	989,649	6	6	6	1st June	q. 1½		Smart-Woods, Ltd., com.	20	18	15	20	65	33	55	Jan. 12	44	Aug. 6			53	50⅛	51	50	51	69
	1,546,500			1½			15th Oct.	q. 1¾		" pref.			45	20	101	84	80	May 9										
1,062,500	475,000	178,320	32,850	3½	1¾	15¾	20th July	q. 1¾		Smith Paper Mills H																		
8,000,000		5,332,113	385,219				15th July '13	q. 1¾		Spanish River Pulp Mills, com.	16⅝	9	9⅛	3	24⅛	3½	19	Jan. 4	12⅛	Aug. 8	15		14	13	13⅛	13	13	75
	5,699,100						1st Aug.	q. 1+½	11.11	" pref.	51	31	35	35	70	29	59½	Jan. 11	47	Aug. 15	47	44¾						
11,500,000		9,522,300	7,763,602	4			1st Aug.	q. 1¾	8.04	Steel Co. of Canada, com.	20	11	48	8⅛	88¼	34⅛	71½	Jan. 4	51½	Sept. 17	64⅛	64¼	51½	50½	52¾	51	51¾	2,153
	6,496,300			3½	7	10½				" pref.	87⅞	69	95	69	107⅛	82⅛	100⅛	Jan. 2	87	Sept. 15		91¼	85	84	85¾	85	85¼	40
650,000			134,016							Stannard Chemtnal, pfd.							56	July 7	49	April 30								
	985,000			3½	1¾	8¾	1st Sept.	q. 1¾	9.72	Tooke Bros., com.	26	15	18	16	25	16												
750,000		500,000	341,590	1½		5	30th June	3+2	5.55	" pref.	81	75			83	78	79	Jan. 4	70	Aug. 28								
2,500,000			276,452	7	7	7	15th July	q 1¾	8.75	Toronto Paper Co.	61	30	45	25	96	44	90	May 17	72	Jan. 16	70	60						
	2,000,000									Tuckett Tobacco, com.	47	29	29¼	29	25	23½	22½	Jan. 18	19	June 1	28	23⅛		17	17	17	17	
										" pref.	101	90¼	90	90	90	75	83½	Jan. 18	78	Apr. 30		87						7
5,000,000		3,500,000	697,275							Wayagamack com.	32⅜	21	26½	26			95	Jan. 11	50	Aug. 30	80	79¼						

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock outstanding	Bonds, Preferred Stock or Debentures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1917	Last Dividend Date	Per cent.	LOAN AND TRUST	Range for Year 1915 High	Low	Range for year 1916 High	Low	Latest Price Ask	Bid	Last Sale
205,000	4,122,853	1,244,392	9	1st Oct.	q. 2¼	Canada Landed	162	157⅛	163	157½	154		151
000 000	20,905,084	5,19 ,652	10	1st Oct.	q. 2½	Canada Permanent	188	183	163	168⅞		167⅛	169
750,000	4,095,238	1,807,053	10	1st Oct.	q. 2½	Central Canada	190	190			190		
453,595	624,548	411,463	6	2nd July	s. 3	Col. Investment, pref.	83	78	76	70	74		68
934,395	1,072,384	252,511	5	1st July	s. 2½	Dominion Savings	81	81	80	80		81	78
411,863	2,318,270	701,646	8	1st July	s. 4	Great West Per							89½
200,000	2,312,901	1,191,062	8	2nd July	s. 4	Hamilton Provident	140½	135	140	138		137	137
500,000	12,090,672	3,085,518	12	2nd Oct.	q. 3	Huron and Erie	211	209	214	209	210	208	209
000,000	1,937,281	781,348	8	2nd July	s. 4	Landed Banking	147	147	145	144		145	143
250,000	2,879,717	808,018	8	1st Oct.	q. 2	London and Can. Loan	136	131	135	132	128	127⅛	127⅛
884,283	1,830,660	369,893	6	1st Oct.	q. 1½	London Loan and Sav							
600,000	356,289	726,506	10	15th Sept.	q. 2½	Montreal L. & Mtg. Co.	176	165	175	160			165
500,000	7,371,097	1,596,314	10	2nd Oct.	q. 2½	National Trust	233	233	210	210		210	207¼
750,000	3,983,186	1,903,533	9	1st Oct.	q. 2¼	Ont. Loan and Deb	173	169	175	169		175	160
500 000	638,931	245,375	7	2nd July	s. 3½	Real Estate Loan							103
500,000	32,322,068	1,548,557	10	1st Oct.	q. 2½	Toronto Gen. Trusts	210		210	205½	207		205
724,550	1,910,506	595,010	8	1st Oct.	q. 2	Toronto Mortgage Co			140	134		136	136
000,000	1,841,631	1,036,147	10	1st Oct.	q. 2½	Toronto Savings							185
600,000	7,487,861	986,531	10	1st Oct.	q. 2¼	Union Trust							178
10 000		6 674,019	10	1st Oct.	q. 2½	Canada Life Assurance							19

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividends 1916	Last Dividend Date	Per cent.	MISCELLANEOUS COMPANIES	Range for year 1915 High	Low	Range for Year 1916 High	Low	Latest Price Ask	Bid
1,500,000		1,885,740	10	1st Apr.	s. 5	Canadian N. Prairie Lands						
800,000	400,000	469,740	8	1st July	q. 2	Canadian Salt	115	110	140	124	133	128
59,109		1,605,792	$5	13th Mar.	5	Can North-West Land						
00,000		2,473,048	20	30th June	q. 5	Confederation Life A.			350	330	375	
6,212,666		445,933	6	30th Dec. '16	1½	Crows Nest Pass Coal	100	100	83	71		55
1,000,000		292,302	6	15th July	1½	Dominion Telegraph			90	86		
3,000,000	9,669,500					Electrical Dev., pref.						
450,000	b 3,968,449	2,111,299	10	1st July	q. 2½	Imperial Life Assur.						
500,000	b 365,613	643,552	p	1st Mar. '12	s. 2	Intercolonial Coal					80	
	p 217,900		p	1st Mar. '12	s. 3½	Intercolonial Coal, pref.						
3,000,000		509,121	p	1st Mar. '14	1	Intern. Coal and Coke						
2,196,000	2,000,000	471,697	6½	15th Aug.	q. 1⅝	Kaministiquia Power						
572,680	b 634,000	168,726	6	2nd July	s. 3	London Street						
2,000,000		119,184	8	15th July	q. 2	Montreal Telegraph	140	136	136	135		135
925,000	b1,123,000					Nia., St. Kath. and Tor.						
1,164,000	b 749,000	268,375	p	10th July '15	q. 1¼	Trinidad Electric	105	100				
2,124,700	b1 540,617	688,268	8	15th June	q. 2	W. Can. Flour Mills	80	80	118⅛	102		
800,000	b 600,000	578,143	5	1st July	q. 1¼	West India Electric						

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and loss; +—indicates bonus; b—means bond; p—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912; Feb. 1st and Nov. 17th, 1913, and December 1, 1914

News of Securities

Continued from page 5

being more than three times the increase for the same period of 1916 over 1915. The company expects to open the new exchange on Sackville Street in the latter part of next month. This has cost more than $100,000. Further improvements are being constantly made calling for the continual expenditure of funds on capital account, the law forbidding the use of current revenue for capital account.

NATIONAL BREWERIES.

The enforcement of an order by the King's Council prohibiting the use in Canada of grain by brewers or distillers would naturally have a serious effect upon the affairs of the National Breweries. Norman Dawes, head of the merger, stated in connection with the report that the government in such a move could be influenced by the prohibition element alone and not by considerations relating to the food supply. The barley crop last year was 60,000,000 bushels he said and of this about 2,000,000 bushels had been used by the brewers. He could not imagine that the government would not follow along the same lines being laid down in England and the United States and expressed the opinion that the forecasted order would be amended so as not to include brewers.

ONTARIO NATIONAL BRICK.

Proceedings for the winding up of the Ontario National Brick Company of Laprairie are pending and in view of this a meeting of the bondholders has been called for Nov. 29 in Montreal for the purpose of considering what action the bondholders should take under the circumstances. The amount of the bonds outstanding is $2,319,100, and no interest has been paid on these since December, 1914. The common stock stands at $2,000,000. The company was organized in 1912, and for a time with the rush of construction all was well, but the war put a stop to building and with it the earnings of the National fell. At the last annual meeting in April there was a re-arrangement of the executive, J. N. Greenshields retiring and being succeeded by A. A. Ayer and R. M. Ballantyne was chosen vice-president to succeed the late Senator MacKay. At that time net profit for the year was $42,714, not allowing, however, for the bond interest. The previous year there was an operating loss of $63,170. The bond interest alone amounts to $138,000 annually so that the earnings fell far short even last year, and at that time the indebtedness to the bondholders amounted to $266,696, including the interest on the scrip certificates that were accepted by them in lieu of their coupons. In the statement the plant was set down at $4,383,396.

RUSSELL MOTOR.

Special attention is given elsewhere in this issue to the annual report of the Russell Motor Car Co., which reached shareholders on Monday. The annual meeting takes place next Friday, when the report will be definitely presented. Since the stock went ex-dividend, there has been no trading in the common, but two lots of the preferred sold this week at 72, which, with the dividend, is equivalent to 101¾.

SHERWIN-WILLIAMS.

Sherwin-Williams common has shown more activity during the past week than any time during the year. The price has been strong at 60, the high point of 1917. Dividend talk has been circulating in Montreal on the ground that strength on such a market as has been prevailing for some time past indicate a distribution of profits. It is generally understood that the position of the company has long warranted such action, but that a very conservative policy has been favored by the management under the unsettled conditions which have prevailed. Last year the surplus represented over 10 per cent. on the common, and this was but one-third of the total available. The fiscal year ended on August 31st, and the strength of the stock is an indication that the figures will again be of a very satisfactory character and provide a further argument in favor of a distribution to the shareholders. The preferred sold this week at 98, showing no change from the last.

SHREDDED WHEAT.

The weakness in Shredded Wheat continues, the asked price this week being 117, as compared with a last previous early in September of 122, and a high for the year of 137¾. The decline here is no doubt the result of the complications in the wheat situation and the high prices prevailing, as well as the general tendency of the market.

TUCKETT TOBACCO.

After being out of the market for several weeks, Tuckett Tobacco common reappeared this week and sold at 17, showing a decline of 3 to 4 points from the last. This may be taken as another indication of the way in which soft spots may be found in the market when holders desire to realize.

UNLISTED SECURITIES.

	Bid	Asked
Abitibi Power, com.	45.00	52.00
Can. Machinery, pref.	40.00	50.00
Cockshutt Plow, pref.	65.00	75.00
Dom. Pow. & Trans., pref.	93.00	96.00
Dom. Pow. & Trans., cm.	52.00	59.00
Dom. Permanent Loan	67.00	71.00
Eastern Car, 6's	92.00	.....
Ford Motor	200.00	230.00
Goodyear Tire & Rubber, com.	175.00	200.00
Home Bank	64.00	67.00
Imperial Oil	375.00	400.00
International Mill 6's	.....	96.00
Lambton Golf Club	325.00	375.00
McDonald, pref.	84.00	90.00
Ont. Pulp Bonds	79.00	83.00
Penn. Water Power, com.	.....	.....
Stand. Rel. Ln. (par 50)	46.00	49.00
Brompton Pulp	37.50	39.00
Blake Lake, com.	1.00	3.00
Do., pref.	.....	4.00
Do., Inc. bonds	.....	27.00
C. P. R. Notes	.....	103.00
Carr. Factories, com.	15.00	.....
Do., pref.	50.00	.....
Carter Crume, pref.	.....	70.00
North Amer. Pulp	.....	2.50
Steel & Rad., com.	.....	15.00
Do., pref.	60.00	.....
Macdonald, com.	14.00	15.00
Amer. Salesbook, pref.	.....	95.00
Chapman Ball Bearing	80.00	89.00
Dunlop Tire	90.00	96.00
Trusts & Guarantee	84.00	89.00

DIVIDENDS DECLARED.

Dominion Bridge Co., Limited

DIVIDEND NOTICE.

A QUARTERLY Dividend of 2½% (being at the rate of ten per cent. per annum) has been declared, payable November 15th, 1917, to Shareholders of record at the close of business on October 31st, 1917.

By order of the Board,

R. MONTAGUE DAVY,
Secretary.

Montreal, October 17th, 1917.

The Merchants Bank of Canada

QUARTERLY DIVIDEND.

NOTICE is hereby given that a dividend of Two and one-half per cent., for the current quarter, being at the rate of Ten per cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and at its Branches, on and after the 1st day of November next to Shareholders of record at the close of business on the 15th day of October.

By order of the Board,

D. C. MACAROW,
General Manager.

Montreal, 2nd October, 1917.

Montreal Tramways Company

DIVIDEND NOTICE.

NOTICE is hereby given that a quarterly dividend of two and one-half per cent. (2½%) for the quarter ending the 30th September, 1917, has been declared upon the paid-up Capital Stock of the Company, paid in to Shareholders of record on Monday, the 15th day of October next, at 4 o'clock p.m., payable on Friday, the 2nd November, 1917.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

October 12th, 1917.

The Civic Investment & Industrial Company

5th DIVIDEND

Notice is hereby given that a Dividend of One per cent. on the Paid-up Capital Stock of the Company (being at the rate of Four per cent. per annum) for Quarter ending October 31st, 1917, has this day been declared:

1st. To Shareholders of record October 31st, 1917, on the Montreal and London, England, Registers.

2nd. To Holders of Share-Warrants in Redemption of Coupon Serial No. 5.

Dividend cheques will be mailed to Registered Shareholders November 15th, 1917; Share-Warrant Coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the Banking House of Messrs. Martigny & Company, 28 Rue Barbet de Jouy, Paris, France.

By order of the Board.

C. S. BAGG,
Secretary-Treasurer.

Montreal, October 15th, 1917.

The Civic Investment & Industrial Company

Operating

The Montreal Light, Heat & Power Company

66th DIVIDEND

Notice is hereby given that a Dividend of Two per cent. on the Paid-up Capital Stock of THE MONTREAL LIGHT, HEAT AND POWER COMPANY (being at the rate of Eight per cent. per annum) for Quarter ending October 31st, 1917, has this day been declared:

1st. To Shareholders of record October 31st, 1917, on the Montreal and London, England, Registers.

2nd. To Holders of Share-Warrants in Redemption of Coupon Serial No. 66.

Dividend cheques will be mailed to Registered Shareholders November 15th, 1917; Share-Warrant Coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the Banking House of Messrs. Martigny & Company, 28 Rue Barbet de Jouy, Paris, France.

By order of the Board.

C. S. BAGG,
Secretary-Treasurer.

Montreal, October 15th, 1917.

The Canadian Converters' Co., Ltd.

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One (1%) per cent. has been declared on the Capital Stock of this Company for the quarter ending 31st October, 1917, payable 15th November, 1917, to shareholders of record at the close of business, 31st October, 1917.

By order of the Board.

THOS. M. BARRINGTON,
Secretary-Treasurer

Montreal, 10th October, 1917.

Mayor Hardie of Lethbridge intimates that something is going to be done in the next few months to clear up the tax arrears in that city. He can see no reason in these good times why people who are perfectly able to pay their taxes should not do so.

RUSSELL CO.'S PROFITS ARE SUBSTANTIAL

Adverse Balance at Beginning of Year Converted Into Favorable Balance.

POSITION STRENGTHENED

Reserve Increased, Value of Plant Written Off, and Bank Advances Largely Reduced—New Business Considered.

After making full allowance for war profits tax, writing down the value of its machinery, etc., from $903,093 to $346,009, increasing plant and investment reserve from $514,616 to $881,388, and otherwise providing for contingencies, the Russell Motor Car Co. is able to show net profits for the year ending July 31, 1917, of $643,590. As the gain for the previous year was $499,354, and as allowances in that period were probably much less, it is evident that the showing made in 1916-17 was considerably better than the results obtained in the year 1915-16.

The company started its year with an adverse balance of $204.009 and with a bank advance of $646,077. It finishes the year with a favorable balance of $439,580 and a bank advance of only $126,486. Accounts receivable amount to the substantial sum of $1,705.081, while accounts payable, including provision for war tax, are $1,502,606. The balance between the two does not appear to be very much, considering that dividends totalling $392,000 must be provided for on November 1, but to the former must be added a portion at any rate of the sum of $1,186,000 credited to stock manufactured and in process.

Allowing for the dividends, which are shown as a liability incurred, the company has a balance of $47,580 to carry forward into its next year. All these figures are set forth in the following schedule, which illustrates the progress made in the last two or three years.

ASSETS.	1916.	1917.
Cash on hand	$ 4,118	$ 19,383
Acct's receivable ...	409,335	1,705,081
Invest. in other Co.'s	1,366,915	1,322,351
Stock on hand	846,287	1,426,449
Realty	34,993	310,177
Machinery, etc. ...	903,093	346,009
Less deprec.	163,454	163,315
Patents, etc.	....	....
	$3,401,290	$4,966,137

LIABILITIES.	1916.	1917.
Bank advances	$ 646,077	$ 126,486
Acct's. payable	428,529	1,502,606
Dividends dec.	....	392,000
Advances	....	....
Contingent acct. . .	16,075	16.075
Plant reserve	514,616	881,388
Capital	2,000,000	2,000,000
	$3,605,299	$4,918,556

PROFIT AND LOSS.	1916.	1917.
Balance forward ...	$703,363*	$204,009*
Trading profits	499,354	643.590
Dividends declared ..	....	392,000
Balance forward . ..	204,009*	47,580

*Loss.

In the report to the shareholders, comments are made on the business of the past year. The demand for bicycles and skates was active, and business was limited by the inability of the factory to deliver goods. It is now the intention to carry out the suggestion made in the last annual report by organizing the bicycle business completely under the name which it is now operated, viz., Canada Cycle & Motor Co., Limited.

Munitions Business.

It is considered inadvisable to describe in detail the operations of the company in the manufacture of munitions.

"We may, however, report," say the directors, "that this was by far the largest department of the company's operations during the past year. The shareholders will be pleased to know that this company successfully undertook large contracts for the manufacture of time fuses, graze fuses, and 9.2 shells, and that during many months of the period when the output of fuses was urgently required, it was able to make a substantial contribution to the supplies required by the Imperial Munitions Board. Since the close of the last fiscal year the contract for 9.2 shells has been completed, and the equipment is now being remodelled and rearranged to take care of an important order for 6-inch shells. Indications are, however, that the manufacture of fuses will be discontinued, as further quantities of these are no longer being procured in Canada."

A forecast of what may be expected after the war is contained in a paragraph of the report, which states that officers of the company are now giving attention to the problem of finding means of employing the company's equipment in lines other than those connected with the war. A by-law is to be submitted empowering the directors to sell or dispose of the undertaking of the company or any part of it, or to acquire an interest in other companies, as may be deemed expedient.

Gift to Guarantors.

There is also an interesting light thrown on the means by which the company was financed during the period anterior to the war and up to the present year.

"It is not generally known," says the report, "but in 1913 the continuation of the company in business was made possible only by the directors and some of the shareholders guaranteeing the liabilities of the company to the extent of $600,000 against ultimate loss. The individual guarantors were not warranted by the extent of their holdings in the company in undertaking so great a liability to protect alone their financial interests. These guarantees continued from February, 1913, to June, 1917. The large business done by the company in the last two years was not otherwise possible, and it is proposed, subject to the approval of the shareholders, to pay $32,500 to these guarantors, to be distributed amongst them in such sums as the directors may determine."

FRENCH GOVERNMENT BUYER OF WOOLENS

Demand of Allies in the Canadian Market Continues as an Important Factor.

News that large orders for knitted goods, particularly socks and gloves, had been placed with Canadian mills by the United States Government became of greater interest this week when it was also learned that the French Government was a heavy buyer in these lines. All Canadian wholesalers have been approached by the Hudson Bay Knitting Co. of Montreal, acting for the French War Office, and practically all lines of heavy wool socks that could be procured for $4 or under have been bought up. While this will undoubtedly eventually cause some shortage, and will also result in still further stiffening of prices, both wholesalers and mill men claim that this branch of their business needed just this stimulation, as retailers were notoriously overstocked in the heavier lines of half-hose.

As Canadian knitting mills are peculiarly adapted for turning out the class of socks, gloves and underwear that experience is proving best for the rough work of the trench, it is believed that there will continue to come from all Allied Governments orders which will only be limited by the capacity for production.

BUSINESS LECTURES.

Frank Stockdale, Retail Expert, to be Heard at Convocation Hall.

Frank Stockdale, the American retail merchandising expert, has been secured by the Toronto Advertising Club to deliver a series of four lectures at Convocation Hall on the evenings of October 30, 31, and November 1 and 2. Mr. Stockdale for the past three or four years has been connected with the Associated Advertising Clubs of the World, during which time he has given his lectures on retail merchandising. He was for many years engaged as an investigator, and was formerly a successful retail merchant. A down-town office at 502 C. P. R. Building (Tel. Adelaide 5489) has been secured, which will be a distributing point for tickets, and from which any information regarding the lectures may be obtained.

A number of big business organizations which reach the public through the retail trade are making arrangements to have their salesmen and agents or retailers handling their goods take in the lectures.

SUPPLY AND DEMAND.

Economy Beginning to Show Effect on Pork Prices.

Patrick Cudahy, the Chicago packer, says: "Despite the recent big break in provision prices they are still too high. I predict much lower values with possible $10 hogs in February or March. Economy is a wonderful thing in making a moderate supply go a long way and recent exorbitant prices for meats are cutting into normal consumption heavily. In spite of the fact that last season's crop of hogs was smaller, we have on hand now as much meat as a year ago and more lard. Latter is especially weak because of largely increased use of compound lard. Big demand for hog products at present is for Army purposes as general public is consuming much less than normal.

"I believe there are more pigs in the country than indicated in the Government's report, and immense crop of corn means there will be more feeding and hogs that are marketed will carry more weight than last season."

German submarines have sunk a total of 791 British ships since the submarine warfare began on March 4. Of these 584 were of 1,600 tons or over. Average number of British merchantmen sunk since March 4 has been 24.72 weekly.

PROPOSE POOL FOR PROFITS OF FLOUR MILLS

Some Making More Than 25 Cents Should Reimburse the Rest.

EXPORT PROFITS CUT DOWN

Buying for Allies in Control of Wheat Export Co., With Disregard of Profits—Flour Prices Depend on Mill Feeds.

Special to The Financial Post

MONTREAL.—The fixing of the price of flour on a basis of a maximum profit of 25 cents on the milling of sufficient wheat to make a barrel of flour has brought before the Food Controller a suggestion that illustrates the economic fallacy of many of the public demands for the fixing of prices. This was no other than that there should be a pooling of the profits of all the Canadian milling companies, somewhat after the arrangement that is in effect among the paper mills as a result of the fixing of the price of newsprint at 2½ cents a pound. The milling proposal holds an element of unfairness to the principles of efficiency in manufacturing that is not involved in the case of the paper mills.

From the outset it has been recognized that a fixed price of 25 cents, or any figure in fact, implied that all the mills were being operated on simalar basis of cost and general efficiency. This, of course, is very wide of the mark. If one mill made a profit of 25 cents a barrel on flour that would sell at $11.60 a barrel, another and smaller mill would make little or nothing at the same figure. On the other hand, if the rate of profit of the smaller mills were to be the basis of price fixing, the large mills would be making more than the 25 cents, and probably would exceed in profits what they had made before the Food Controller took a hand at fixing the price, and the public would be forced to pay more than they otherwise would.

To obviate the difficulty, it was proposed that there should be a pooling of profits among all the mills, and that those making over 25 cents a barrel should pay into a common fund the surplus, and that from this those mills should be reimbursed that would be making less than 25 cents. The mill that was operated under poor management would profit quite as much as the mill where brains were at work to secure the highest measure of efficiency. There would be no incentive in the one case to improve; no reward in the other for the attainment of a high standard of manufacture. All would be on one common level of a guarantee against the ordinary penalty that attaches to inefficiency; a sort of paternalism would deaden the beneficial results of keen and inspiring competition.

Against this sort of system the larger mills, it is understood, have been struggling; the plan may be adopted, and if so the natural result would be that the mills that are operating at a minimum of cost will sell their flour at a figure that will allow little to be transferred to the common pool, on the theory that the public may as well benefit as the smaller mill owner. The Food Controller can fix the maximum of flour prices; he will not appoint any figure as a minimum.

The pooling arrangement, if it goes through, is likely to result in lower profits than would be secured under ordinary circumstances and the prosperous seasons of 1917 and even 1916 may not be repeated with the big mills.

Buying for Export.

The outlook for export profits is not as bright, either, as during the past two years. The whole control of export buying, THE FINANCIAL POST understands, has been placed with the Wheat Export Co., whereas much of the buying for the past 18 months has been done by a representative of the War Office at Ottawa. The Canadian millers, it is learned, have been informed rather emphatically that they will not be allowed anything like a profit of 25 cents a barrel on the flour that is to be bought for the Allies, and indeed some have the impression that they will be cut down in most cases to actual cost. The Export Co. decides the price; the mills can take it or leave it. The mills will take it.

While wheat prices will remain on a basis of $2.21 a bushel at Fort William, the official statement that has been issued from Ottawa states that "mills will be licensed and will be required to manufacture one or more of three standard grades of flour, which will represent a higher percentage extraction than the white flour now in general use in Canada. Cash prices," it is added, "will be set from time to time," and W. Sanford Evans is to supervise the carrying out of the arrangements.

This means simply that the price of flour will be determined by the price of the offal—mill feed. Practically, every $3 increase in the price of bran and shorts per ton will permit of a 10-cent drop in the price of flour a barrel, or if mill feed drops, flour must go up.

BONDS WILL APPRECIATE.

Experience Shows That War Bonds Will Rise in Value.

As a powerful argument in favor of participation in the Liberty Loan, the probability of an ultimate high premium on the bonds is being advanced by bond dealers. On this point, the Bache Review may be quoted as follows:

"Back of all these reasons for universal subscriptions to the loan, there is another selfish personal one which makes an irresistible appeal to the long-term investor—namely, the certain appreciation in price and to a heavy percentage, which will come to these bonds after the war is over. They will then be the prime bond of the world, the direct obligation of a great nation whose immense resources, no matter how long the war may last, will be least proportionately drawn upon to meet the drastic strain inflicted upon the human race by the savage ambitions of a nation gone mad with the lust for power and universal dominion—a nation which let no one be deceived, is still thoroughly united, applauding the attitude and actions of its rulers, convinced of its superiority over the rest of the world and of its ability to conquer, stonily dumb to all human sympathy with the sufferings of innocent women and children its victims, and still unreservedly approving the prostitution, murder and devastation inflicted by its forces on land and sea. Such a nation cannot, it would seem, be disrupted internally. It will fight on to the end. And the only chance for civilization is in its complete subjugation and dismemberment.

"If this is true, there are years of war ahead for the world, and wide-spread exhaustion will accompany peace. At that time the strain upon capital will be released, and for a time and, before breath can be regained for the work of rehabilitation, money bids fair to be in abundant supply. Good bonds, as furnishing a safe employment for idle capital, will then, if these conclusions are correct, appreciate in price.

"Such a Government bond as is now being offered, bearing 4 per cent. interest, and free of normal tax, will, when the war is over, be eagerly sought. Its price should reach figures far above par, as did the U.S. Government bonds after the Civil War. The four per cents., into which the war bonds of that time were finally refunded, reached a high price of 139⅞."

ST. LAMBERT BY-LAWS.

Reduce Term of Bonds From Forty to Ten Years.

Acting on the advice of their bankers, St. Lambert, P.Q., submitted a by-law on Wednesday to permit the issue of 10-year bonds, instead of the 40-year bonds that had been proposed at first. The by-law was carried. It had been found impossible to place the $105,000 bonds last year, and the bankers reported that in the present disturbed condition of the world's affairs it was almost impossible to get rid of long-term bonds. A second by-law was carried for the borrowing of $100,000 for local improvements.

WAR BUYING DOMINATING THE OUTLOOK.

Continued from page 1.

products. However, the serious views which are expressed regarding the railway situation and in respect to the necessity for an increase in freight rates by Chairman Smithers of the Grand Trunk make it a matter for doubt if the steps being taken will be sufficient to meet the emergency if the railroads are not insured an income which will leave them reasonable profits after the payment of the rapidly increasing operating costs.

Investment Market.

In the investment situation the trend of the market continues to lower levels as it has done for many weeks. Opinion strengthens that the bottom of the movement must be close at hand and many of the better investment securities appear attractive at prevailing prices. However, no one is prepared to say that the market may not go lower and the public is quite evidently very apprehensive as to future developments. In any event it is not expected that there will be any marked improvement until after the war loan has been disposed of.

Next month there will be established between New York and Chile, the first passenger line to ply between ports of New York and Valparaiso.

Sauerbeck's index number stood at 175.7 at the end of August, as against 176.9 at the end of July. August figures compares with 134.5 for the same month of 1916, representing an increase of 41.2 points.

Blyth's tax rate of 30 mills on the dollar, struck at the last meeting of council, is the highest rate yet.

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AUTHORIZED and ISSUED £6,000,000
Paid-up Capital..£2,000,000
Reserve Fund....£1,980,000 Together £3,980,000
Reserve Liability of Proprietors.......£4,000,000
Total Capital and Reserve £7,980,000

Head Office: 71, CORNHILL, LONDON, E.C.
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Manager—ARTHUR C. WILLIS.
Assistant Manager—WILLIAM J. ESSAME.

The Bank has 41 Branches in VICTORIA, [illegible] in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 22 in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

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ANNUAL MEETING.

The Consumers' Gas Company of Toronto

THE Annual general meeting of the shareholders of the Consumers' Gas Company of Toronto, to receive the report of the Directors, and for the election of the Directors for the coming year, will be held in the Company's board room, 17 Toronto Street, Monday, the 29th day of October, 1917, at 12.00 o'clock noon.

ARTHUR HEWITT,
General Manager

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MONEY, BANKING AND EXCHANGE

CLEARINGS SHOW FALLING OFF IN EASTERN CANADA

West Substantially Better, but Change is Evident in the East.

MANY CITIES ARE LOWER

Toronto is Down Nearly $2,000,000, Also Ottawa, Quebec, Halifax, London, St. John and Brantford—Total Shows Increase.

According to official returns to THE FINANCIAL POST for the week ending Thursday last, bank clearings for the Dominion amounted to $310,530,225, compared with $258,836,666 for the corresponding period in 1916, and $252,517,747 for the previous week. Eastern cities showed a decided falling off compared with the previous week and a gain of 1.9 per cent over the figures a year ago, Montreal, Hamilton, Peterborough, Sherbrooke and Kitchener being the only cities to show increases. All the cities in the West showed substantial gains, Calgary showing the largest percentage gain at 82.1 per cent. Winnipeg showed a gain of 70.1 per cent; Medicine Hat, 66.1; Moose Jaw, 62.6; and New Westminster, 57.8 per cent. The gain for the western cities was $48,085,448, or 63.7 per cent., which compares with a gain of 43.8 per cent. in the previous week. For the year to date the clearings amounted to $9,817,681,560, an increase over the same period in 1916 of $1,899,226,432, or 24.0 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS.
(In comparison with the same week last year.)

Eastern Cities.

	Oct. 18, 1917.	Change.	%
Montreal	$ 97,030,071+	$ 6,590,264	7.2
Toronto	64,326,560—	1,975,316	2.9
Ottawa	5,773,839—	1,094,510	15.9
Hamilton	5,443,178+	513,518	10.4
Quebec	4,062,165—	120,255	2.8
Halifax	3,134,724—	28,789	.9
London	2,281,569—	120,914	5.0
St. John	2,112,098—	271,215	11.3
Brantford	929,608—	62,427	6.3
Peterboro	699,882+	36,694	5.5
Sherbrooke	640,225+	138,204	27.6
Kitchener	607,948+	2,857	.4
Total, East	$187,041,867+	$ 3,608,111	1.9

Western Cities.

	Oct. 18, 1917.	Change.	%
Winnipeg	$ 82,356,330+	$ 33,927,575	70.1
Vancouver	11,001,279+	3,411,366	45.0
Calgary	10,429,475+	4,707,917	82.1
Edmonton	3,373,195+	1,147,782	51.7
Victoria	1,978,152+	270,476	15.9
Regina	5,195,033+	1,673,921	47.5
Saskatoon	2,709,355+	946,250	53.7
Moose Jaw	2,118,138+	814,918	62.6
Ft. William	748,059+	74,564	11.1
Brandon	780,252+	154,074	24.8
Lethbridge	1,358,890+	400,442	41.8
N. Westm'ster.	527,586+	193,247	57.8
Medicine Hat	912,614+	362,916	66.1
Total, West	$123,488,358+	$ 48,085,448	63.7
Grand total	$310,530,225+	$ 51,693,559	20.0
Yr. to date	$9,817,681,560+	$1,899,226,432	24.0

MONEY.

Call money continues unchanged at 4 per cent. in London. In New York the ruling rate has been 3½ per cent. most of the week. The time money market in New York has shown an easier tone, though quotations have been more or less nominal; 5½ per cent. is being charged for 60-day money and 5¾ per cent. for 90-day money on all industrials, with the latter figure also quoted for four, five, and six months' maturities. Rates for mixed money have been nominally quoted at 5¼ per cent. to 5½ per cent. for the different periods.

On Monday President Wilson sounded a call for the mobilization of all the United States' gold reserves under the supervision of the Federal Reserves Board. Liberty loan financing, the resultant activity in the money markets, and the effect of the Government's huge financial transactions upon the bond and stock markets, have made it imperative, in the view of the administration, for the Federal Reserve Board to control not a major fraction of the gold reserve of the country, but the entire amounts. The recent embargo on gold exports has made it highly desirable that this control be acquired as speedily as possible.

At present the Federal Reserve Board controls the activities of institutions representing only one-half of the total banking resources of the United States. There are between 8,000 and 9,000 eligible banks and trust companies, with resources estimated at from twelve to sixteen billion dollars, whose activities are entirely beyond the control of the Federal Government, being governed only by state laws. To them President Wilson addressed his call.

EXCHANGE.

The downward movement of New York funds continues. A week ago the discount was 3/16 per cent. Yesterday it had dropped to ⅛ per cent. The rate is already considerably below the low point of 7/64 per cent. which was not touched last year until November 27. At the present rate of decline the discount bids fair to reach a much lower point than has been touched since the break to 2 per cent., which occurred in August 1914. Buying power seems to be diminishing and there are no developments in sight to counteract the downward swing.

Roubles have turned weak again as a result of the bad news from Russia. They began the week at 15.25 and yesterday were off to 14.00. Demand sterling has been steady with the rate nominally 4.75 3/16. Francs have also been steady and unchanged throughout the week. There is little of interest to note in any European exchange.

LONDON COUNTY.

A report from London states that the London County and Westminster Bank is absorbing the Ulster Bank, without announcement and follows the London City and Midland's recent acquisition of Irish concerns through the Belfast Banking Company.

The Ulster Bank's capital follows: Subscribed, £3,000,000; paid, £500,000; deposits of about £12,000,000.

With the re-assembling of Parliament, expectations are that there will soon be another vote of credit authorizing war expenditure. The total amount so far voted for the war approximates £5,292,000 pounds, of which £1,500,000 have been voted this year.

MERCHANTS.

A. M. Smith, manager of the Kincardine branch of the Merchants Bank of Canada, is resigning and will reside in Kingston.

NEW BANK MAP.

The Dominion Government has recently issued a bank and railway map for Western Canada. It shows all the railway lines and the locations of the branch banks throughout the country and other interesting information.

UNION.

R. H. Beard, formerly superintendent of the Union Bank at Alberta, has been appointed manager of the Winnipeg main office, succeeding P. Vibert, who has been promoted to the office of chief inspectorship of the bank. Changes are also made in different inspectorships.

HOME.

At a luncheon tendered to the managers of the Ontario branches of the Home Bank of Canada recently, Mr. Haney, president of the bank, said the present aim of the bank was to secure an additional seven million dollars in deposits during the forthcoming twelve months. The Home Bank had received its proportionate share of the general increase in bank deposits in Canada up to the end of the last fiscal year, but it aimed to increase the deposits by an additional seven million dollars over this normal proportion of increase. Mr. Haney has returned from an official visit to the branches of the Home Bank in Winnipeg and westward to the Pacific coast. He spoke assuringly for the increases promised from the Western branches. The Province of Ontario was enjoying equal prosperity, and he felt confident that the aims of the Home Bank were quite easily within the bounds of achievement.

IMPERIAL.

Flight-Lieut. P. B. Boyd, of the Royal Flying Corps, and formerly employed in the head office of the Imperial Bank, has been reported killed in action. Lieut. Boyd enlisted with the 48th Highlanders at the outbreak of the war and went overseas with the 15th Battalion. On reaching England he was granted his commission and went to France in the summer of 1915.

ROYAL.

The city of Toronto has entered a friendly suit against the Quebec Bank for determination of the question whether the bank, which went out of separate existence and amalgamated with the Royal Bank at the end of 1916 is liable for taxes levied in 1917 on the assessment made in 1916 on the business then transacted.

"The Royal Bank took over the assets, and must be taken to have assumed the debts," remarked City Solicitor Johnston explaining the city's attitude.

STANDARD.

Clive Scott, of the Calgary branch of the Standard Bank, has been appointed manager of the north end branch at Lethbridge.

MONTREAL.

A sub-agency of the Bank of Montreal has been opened at the corner of Sherbrooke Street and St. Lawrence Boulevard, Montreal, and will be known as the Sherbrooke Street branch, under the management of C. J. E. L. Benedict.

The temporary branch of the Bank of Montreal at Camp Borden, Ont., was closed on the 10th inst.

COMMERCE.

F. G. Matkin, of the Morse branch of the Canadian Bank of Commerce, has been transferred to the branch at Weyburn, Sask.

BANK OF ENGLAND.

The weekly statement of the Bank of England shows the following changes:—Total reserve increased £586,000; circulation decreased £39,000; bullion increased £546,567; other securities increased £11,415,000; other deposits increased £12,444,000; public deposits increased £546,000; notes reserve increased £646,000; Government securities increased £960,000. The proportion of the bank's reserve to liability this week is 18.79 per cent.; last week it was 19.93 per cent. Rate of discount, 5 per cent.

THE ENGLISH VIEW ON ECONOMIC WAR

The Attitude of President Wilson Has Aroused Considerable Interest in Great Britain.

LONDON.—Great attention was paid in this country to the passages in President Wilson's note to the Pope wherein he deprecated the views of the extremists in regard to economic strife after the war, and to the passage in which he said that "no peace can rest securely upon political or economic restrictions meant to benefit some nations and cripple or embarrass others." It will be recalled that Mr. Wilson's note to the Pope was followed by an interview with Lord Robert Cecil in this country. In this interview Lord Robert took the view that there was no inconsistency between the President's note and the resolutions of the Paris Economic Conference, which he declared to have been purely defensive.

"They had in view," he said, "the necessity for restoring the economic life of the Allies after the war, and protecting ourselves against any aggressive and militaristic commercial policy which might be pursued by our enemies after the war, and the German scheme for driving their allies into a Central European commercial block showed that such a policy is a real danger."

The middle view in this country appears to coincide with that of President Wilson. Thus, while schemes of economic aggression are not entertained, the business community here wants to retain full liberty of action should an economic offensive prove the only method of making Germany respect the amenities of civilization. Meanwhile, various individual industries are considering their position after the war, purely from their own point of view. The Chamber of Shipping of the United Kingdom, for instance, and the Liverpool Steamship Owners' Association appointed in March last year a committee to report on the measures requisite for the maintenance of the British mercantile marine, and this report has now been published. Among the reforms of detail desired are removal of the British light dues, reform of the Turkish lights, removal of the French preferential brokerage system, reform of the Suez Canal dues, and the establishment of uniform international standards of safety.

JOIN RESERVE SYSTEM.

The State Banks in U.S. Are Now Lining Up.

A feature of the banking situation in the United States recently has been the addition to the Federal reserve system of large state institutions First came the Guaranty Trust Company of New York with resources of $600,000,000, capital of $25,000,000 and $28,000,000 surplus and undivided profits. It was closely followed by the Equitable and Metropolitan trust companies, both of New York with aggregate resources close to $300,000,000. Here in the Northwest the Sioux Falls (South Dakota) Savings Bank with $4,000,000 resources has just been admitted, and a state bank in New Orleans also has joined.

There are now approximately 90 state member banks with close to $100,000,000 capital and resources in excess of two billion one hundred million dollars. This number is almost exactly one per cent. of the total number of state banks eligible for membership, although the resources of those already admitted are about 20 per cent. of those that could join if they wished.

There is obviously room within the system for all eligible state banks and new applications are being received at Washington daily. More significant than the actual applications is the great number of inquiries received by the heads of each of the 12 Federal reserve banks from state banks as to terms of membership and its advantages. In the ninth district the proportion of inquiries compared with those a half year ago is five to one.

NEW GLASS COMPANY.

Plant Long Idle to be Operated in Montreal.

A company known as the Consumers' Glass Company has acquired control of the Atlas, or, as it is better known, the Premier Glass Company, of Montreal, and manufacturing operations will soon be commenced. The plant, which is located in a suburb of Montreal, Ville St. Pierre, was completed but never operated, and has lain idle for some four years. The purchase price is said to have been about 40 per cent. of the original price. This will be paid to the bondholders into whose hands the plant finally fell. The deal will develop, probably, into an amalgamation of several Canadian glass concerns.

THE ROYAL BANK OF CANADA
INCORPORATED 1869
Capital Authorized - - - $ 25,000,000
Capital Paid Up - - 12,911,700
Reserve and Undivided Profits, 14,324,000
Total Assets - - - - 300,000,000

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NEWS AND VIEWS FOR MANAGERS

WATCHING THE STOCK OF SMALL TOWN MERCHANT

An Important Factor When Deciding Credits to Retailer.

COURTESY TO CUSTOMERS

Treatment of Bank Patrons Important at all Times But Especially in Case of Newcomers—Polite Teller Can Do Much.

This week I met a branch manager in a town with about the usual quota of retail stores, a number of them coming in the class usually described as "general," who differed with the opinion advanced in this column recently by a manager who considered that the most important thing for the retailer to do was to watch the uncollected account and the "deadbeat." This town manager considered that the most important thing he had to do was to size up a merchant's buying ability and judgment in relation to his stock; in his experience failure usually came to the small retailer by over-stocking and failure to appreciate the declining value of goods on the shelves or their relation to total turnover.

Both of these managers were undoubtedly correct. The difference was in the field of operations. The manager who advised the retailer to keep his eye on his accounts and not to let them run beyond the recognized term of credit was in an outlying district of a large city, where it was difficult to keep in touch with the affairs of the individual customer, where people moved frequently and where it was hard to get a line on a customer's credit standing. The manager who showed concern for the nature of the merchant's stock was in a small town where the affairs of the customer were an open book to the merchant, where moving would make no difference unless it was to another town and where a man's credit rating was no secret.

This latter manager who had opinions on the subject of the merchant and his stock-buying ability spoke from long acquaintance with small town accounts and from at least one experience which was not pleasant. It was when he had been only a short time in charge of the branch. He made an advance to a merchant who stood well in the community, who had no previous loans—and he informed me aside that after all loans to retailers were not numerous, as the necessary credits were usually arranged by the wholesalers with whom they dealt. It was for some purpose which appealed to him as proper at the time. The merchant gave him a statement of his affairs which looked good and everything seemed eminently satisfactory.

But developments proved that the merchant was not in such a strong position as had appeared. Difficulties arose and an assignment was made. It was when a practical valuation had been placed upon the stock which had to be realized on that the banker found out the mistake he had made. Much of the stock which appeared on the statement had been long on the shelves of that general store. These goods appeared on the statement at cost but could only be sold for a fraction thereof. In the final clean-up a loss was suffered. Since then the bank manager referred to has made it a point to know something about a merchant's stock in making a loan and also something about his turnover in relation thereto.

This latter point appealed to me as important and I asked him on what basis he estimated healthy operations. His explanation was that he could not give definite percentages as these varied according to the line of business but stated that a few inquiries with the most progressive of the merchants enabled him to gain a general opinion to apply in making inquiries into the affairs of applicants for credit. But after all, he concluded, it was the buying rather than the selling which was of greatest importance.

Meeting the Public.

The bank clerk can hardly be placed in the category of a salesman and yet in dealing with the public he—or she, nowadays—might learn something from the person behind the counter who successfully disposes of habedashery or notions. The point is that the bank customer, like the customer in a retail establishment, is pleased by courtesy and attention. I know a branch manager who has made a point of emphasizing to his clerks coming in contact with the public that it is the little things in service which count and he says that he is well satisfied with results. The treatment which a customer receives from the bank staff, he believes, is just about as important a factor in holding an account as the treatment which which the customer's application for a loan may receive at head office.

This manager told me that it was the teller in particular who was in a position to establish and maintain friendly relations in little things as he came into closer and more frequent contact with the average customer than any one else. Courtesy to the newcomers was in his opinion most important. Often they were live prospects for new accounts. A stranger presenting a cheque and being told curtly that he would have to be identified,—that he was not known—would undoubtedly not come back again if he went to a neighboring branch and was met by a teller who explained courteously that identification was necessary but who asked if there was anyone in town who could identify him or who took the newcomer to the manager and gave the latter an opportunity to size him up. In any event either a thoughtful teller or the manager himself could by the use of politeness and diplomacy refuse the favor asked, and at the same time not close the door, so to speak, on the stranger when he left.

Loaning on Stocks.

Inquiries among branch managers and of head office officials indicate that perhaps less than ever at the present time is the branch manager called upon to exercise his judgment on the credit value of stocks or shares. In fact at the moment the coffers of the banks are practically closed to the customer who seeks credit on stocks alone. The branch manager may have to use his judgment in regard to an application based upon war bonds but that is about the limit just now. However, there are cases, I am informed, where stocks or other securities may be taken as additional security where it is considered that the margin of safety is running close.

Present conditions are largely war conditions, but even when things are normal the branch manager as a usual thing does not exercise his judgment on a loan on stock security without consulting head office. Of course there may be exceptions to this rule depending upon the customer, the size of the loan, etc.,—points upon which the manager is being called upon daily to use his own judgment.—J. W. T.

BANKERS ADVISED TO EXTEND THE GLAD HAND

Banking Becoming Less of a Profession and More of a Business in the States.

While there is an increasing tendency on the part of Canadian banks to develop business by aggressive methods, and much depends upon the initiative of the branch manager, banking in this country still continues as a profession rather than a business. In the United States there is a different spirit pervading the banking field. There, however, there is more opportunity for developing new ideas because each bank is a separate unit with an individual policy which can be altered to suit the circumstances if necessary while in Canada the branches are part of a system which receives much of its energy from head office.

However, there can be no doubt but that methods are changing in the banking world as a whole and Canadian managers are no doubt following what is being done in the States. Speaking of the relations of the banker and the retailer recently, T. H. Bowden, assistant cashier of the First National Bank, suggested that it would help bankers if they would thaw out a bit and extend the glad hand more often. The look of stony indifference and self-sufficiency which a banker was supposed to wear was all assumed—only a mask. If he were fed a little "con" he would turn out to be one of the most human animals in captivity.

Speaking then from the standpoint of the merchant Mr. Bowden advised that he be more friendly with his banker. "Go to him and talk over your business affairs with him, just as you would go to your family doctor to talk over your physical affairs. Don't go to the banker and take a chance of his being busy with some other customer while you cool your heels waiting for him. Call up beforehand and make a date with him. Don't go to him only when you want to borrow money, but go and consult with him about other things affecting your business. If you are thinking of changing your location, ask his opinion about it. If you contemplate entering into a partnership, consult with him about the matter. Get his judgment upon any material change in your business that you may have under consideration. Not that your banker knows better how to run your business than you do yourself, but because his position brings him in contact with conditions in a way that will probably enable him to offer you helpful suggestions which you probably would not think of or would overlook.

"Your banker will not force his advice upon you; he assumes that gratuitous advice is apt to be resented, especially when offered by a lily-fingered banker who probably never heard of 'crowbar seed' or 'left-handed gimlets.' He will, however, be glad to give his opinion when you request it, and in most cases in a spirit of sincere helpfulness."

INTERESTING THEORIES REGARDING GOLD VALUE

Volume of Newly Mined Metal and Reserve Supplies Finding Their Way in North America.

The progress of the war being accompanied by a steady upward movement of commodity prices, with a decline in the buying power of "money" as the reverse action, has increased interest in the subject of the value of gold in relation to currency. As the bank manager well knows that gold is the standard of worth, and as apparently that standard has not changed despite the fact that like other commodities produced by human enterprise the metal is of actually more value to-day than it was before the war, some of the theories being advanced for the inflation which has been especially noticeable in the United States and Canada may be of interest to him. The following views are advanced by a correspondent of The Economist:

Gold is our standard of value and medium of exchange. We express this medium of exchange in terms of currency based on a sovereign, which contains a given amount of gold, viz., instead of valuing an article at so many ounces or fractions of an ounce of gold, we value it in £ s. d. This is to a certain extent unfortunate, because without giving the matter a little thought, people don't realize that our currency is based on a commodity, "gold," which commodity is subject to the laws of supply and demand, like all other commodities, and that, therefore, the price of gold, in terms of currency, being fixed and constant, the only method of ascertaining whether gold has fluctuated in value is to take a long list of other commodities, a general rise or fall in price throughout which list being considered conclusive evidence that gold has gone down or up in value, as the case may be. Every month the *Economist* performs this service by publishing its "Index Numbers." The ones for August show a further rise of 69 points, giving the percentage rise since August, 1914, of 134.5 per cent. Theoretically, therefore, gold since August, 1914, has shown a fall in value of 134.5 per cent., provided always the gold standard has been maintained, the markets of the world are free to each other, and that goods can be freely exchanged.

The proviso is important. A gold standard implies a free market for gold, and that we certainly haven't got. Moreover, there is conclusive evidence of large inflation, and as this would naturally increase prices, the Index Numbers of the *Economist* cannot be regarded as a measure of the depreciation of gold.

Here I must divert a little from my main theme. On a gold reserve little larger than our pre-war one we have erected a fabric of credit immensely larger. On a pre-war percentage our gold reserve is about £45,000,000 short, but this is not the whole of the story. We have withdrawn our gold currency from circulation and substituted notes. The highest estimate of our pre-war gold currency which I have seen is £100,000,000; our note currency is now £170,000,000, an apparent inflation of £70,000,000. Let me put it in another way. Supposing there had been no war, and, our stock of gold had increased by £115,000,000 (currency £70,000,000, reserve £45,000,000), considerably more than the yearly world output of gold, our stock of gold would have been nearly doubled, prices must have risen. Isn't the result of inflation on prices exactly the same?

In the decade before the war there was, according to the Economist Index Numbers, a gradual rise in prices of 20 per cent. The world production of gold was roughly £90,000,000 per annum, and it is therefore obvious that this output was too large to keep gold at its parity value. Since the war the output of gold has not decreased; if anything it has increased, but instead of being dispersed over the whole world, it has found its way into the banking vaults of the U.S.A., Japan, and the few other remaining neutrals. Not only that, but it has been supplemented by the gold set free by the belligerent nations, which in the case of England alone cannot have been less than £50,000,000, and was probably more. Can it be wondered at that in those countries, U.S.A., etc., which alone maintained the gold standard and had a free gold market, the result of the very large expansion in their gold holdings resulted in a rise in prices?

The point is, I think, important. The soundest finance on the part of this country could not have prevented this rise in prices. Inflation has made it worse, but on inflation alone cannot be laid the blame for the whole of the rise in prices.

THE BREAD PROBLEM.

Practical Reasons for Baking the Larger Loaf.

At a recent convention of bakers in the Eastern States the following economies of the large loaf of bread, as contrasted with the small loaf, were pointed out:

First. A saving is effected in labor connected with the baking department, as it costs very little more to handle a hundred 15 or 20 cent loaves than it would a hundred 10 or 15 cent loaves.

Second. The cost of wrapping: Taking a 10-cent loaf as the basis at a cost of 100 per cent, a 15-cent loaf would cost approximately 75 per cent. and a 20-cent loaf only 50 per cent. for wrapping labor. The operation is the same, whether a 10, 15, or 20 cent loaf is handled. Again, a larger loaf will require less paper in proportion.

Third. Reduction in delivery costs: A salesman should handle 100 large loaves more quickly than double the amount in smaller counts, and likewise the middleman who sells the bread effects a saving in time.

Fourth. A baker making small loaves not only requires more help, but also requires more bread pans, racks, etc., as well as more proofing room. Again, as an oven can accommodate more pounds of bread to bake in one run where the larger loaves are manufactured, the loaves, in order to be thoroughly baked, will admit the use of a lower temperature by at least 20°, thus baking more slowly, more thoroughly, and assuring a well-baked and better product.

Fifth. It must be remembered that the larger loaf is of better keeping quality. Furthermore, a larger loaf requires less fermentation, thereby retaining more of the desirable elements in the dough, increasing the yield to some extent at least, and, what is most important, it is a more nutritious food.

Kenora's tax rate for the present year has been fixed at 32 mills, an increase of 2 mills over last year.

Jones' New Accounts

JONES is a branch bank manager at M———. He has been a great success, attracting to his bank the accounts of a majority of the local all-alive retailers and manufacturers.

Let Jones tell the story of his methods himself:—

"My bank hasn't a thing to offer that the other banks cannot duplicate. What success I have had has been due, so I believe, to one thing: I have made myself intelligently familiar with my clients' businesses. When I meet Wallace, the grocer, for example, he finds me fairly well informed about his problems. I know something about the prices that he has to pay for goods; and I have even learned, with his help, a good deal about store management.

Now I am going to let you in on a little secret: I read Wallace's business paper, **CANADIAN GROCER.** So I am able to talk with Wallace **on his own ground.** Wallace warms up to me whenever we meet; and, when he had a slight excuse, he transferred his business from the ——— Bank to my bank.

In the same way, I keep myself intelligently informed about the businesses of other clients, and they find me able to talk about their business with real knowledge; and, by contrast with the managers of the two other banks, I show up very well in the matter of being interested in and knowing about the business my customers are engaged in. Naturally, I get credit for knowing more than I really do; and yet I am passably well informed on the subjects of groceries, hardware, dry goods, men's wear, books and stationery, iron and steel products, drugs, footwear, and so on.

One of my gifts is curiosity. I am a good asker of questions. I get the other man talking, and I listen. In this way I acquire an insight into the minds and problems of men, enabling me very often to prove myself of real assistance to customers and others who come to me for advice.

I may not solicit the accounts of business houses, but there is nothing unprofessional in my being interested in the other man's business. I get many chances to discuss business with the men in M———, and I deliberately plan to get the other man talking about his business. I am out to sell my bank's services, by ways that are permissible. I regard myself as a salesman as well as a banker, and I enjoy the game."

Jones could have added that among the papers he subscribes to are:

Canadian Grocer (*weekly*)	$3.00
Hardware and Metal (*weekly*)	3.00
Dry Goods Review (*monthly*)	2.00
Men's Wear Review (*monthly*)	2.00
Bookseller and Stationer (*monthly*)	2.00

All told, these five papers cost him $12 a year. He earns this sum twice over every month on the accounts of the firms that he has drawn to his bank. Jones has passed on a secret which should be of value to many a branch bank manager.

Subscriptions to the above named publications should be addressed to

The MacLean Publishing Co., Ltd.
143-153 University Avenue, Toronto

CANADA

How best to Serve

Every Canadian can help in the successful application of the Military Service Act

THE Military Service Act is the law of the land. It will be enforced sincerely and with firmness, but fairly. Reinforcements to be raised are limited to 100,000 men, who are being selected by the country, not by the military authority. Military control does not start until these men are chosen.

The Men Called Can Help

The first call is for men between the ages of 20 and 34 inclusive, who were unmarried or widowers without children on July 6, 1917. All these men should go immediately before a Medical Board in this district for examination as to physical fitness. If they are not placed in the Medical Category A., their present obligation ceases. If found physically fit and placed in Category A., they should, immediately after the issue of the proclamation calling out the first class, visit the nearest post office and report for service on a printed form supplied. If reasonable ground for claiming exemption exists, an exemption form may be obtained from the Postmaster, and filled out. The Postmaster will forward this form to the Registrar appointed for the district, and the man seeking exemption will then be advised by mail when and where he should appear before an Exemption Board to have his case taken up.

The Employer's Part

Employers will find it to their advantage to see that all the men in their employ who are in the first class under the Military Service Act appear as soon as possible before a Medical Board for examination. Should an employer desire exemption for any one of his men who is found physically fit, he may seek it on the following grounds:

(1) that the national interest demands that a man be left at his work rather than placed in military service.

(2) that, instead of doing military service, a man should be used in work for which he has special qualifications.

(3) that it is expedient in the national interest that instead of being employed in military service, he should continue to be educated or trained for any work for which he is then being educated or trained.

Duty of Parent or Near Relative

Parents or near relatives of men in the class called may apply for their exemption on the above grounds or because of some special domestic reasons. In this, as in other cases, delay is a grave mistake.

Issued by
The Military Service Council

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THE FINANCIAL POST OF CANADA

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - H. T. HUNTER
Manager - - - - - - - - - R. G. DINGMAN

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may demand.

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Toronto, October 20, 1917.

DEPRESSING INFLUENCES AT OTTAWA.

ONE thing, as we have frequently pointed out, that prevented Sir Robert Borden doing the work he should have done and no doubt would like to have done, was the fact that he was surrounded by a lot of incompetents, not only in his Cabinet, but in the public service, men appointed, not for their capacity to do things, but for their work in party politics.

Both Ballantyne and Crerar, two very excellent business men, had not been in office more than a few days before they each confided to their intimate friends that the atmosphere at Ottawa was most depressing, most restraining on any one who desired to do things and get things done.

Sir Albert Kemp found among the officials in the Militia Department a disposition to make the Minister do things in the old red tape way and not in the business-like way to which he had been accustomed.

Let the new Ministers thoroughly understand that the country will back them up in any and the most drastic action they may take in reorganizing the public service and in getting things done.

While there are many party heelers in the public service at Ottawa, there are also a great many very good and capable men, who only require the inspiration and support of men of the capacity and driving force of Mewburn, Crerar and Ballantyne.

If these men fail, it will be their own fault. THE POST'S readers will pray for their success.

BUSINESS ON A BIG SCALE.

WE have continually pointed out that this war is merely business on a big scale. That it should be conducted by successful business executives. A prominent United States officer writing from the front says, "This war is big business. It is 99 per cent. preparation and work and 1 per cent. fighting."

Waddell Catchings, Chairman of the Committee of the Chamber of Commerce of the United States on Co-operation of the Council of National Defence, in speaking before the Associated Business Papers of the United States at Chicago the other day, said that the one thought that the British and Allied representatives were continually impressing upon the Government and officials of the United States is the necessity for proper preparation for the support of the men in the trenches. The neglect of this they point out has cost the lives of tens of thousands of British soldiers. The late British Government was responsible for this.

This is exactly what THE POST said time and again when urging that the Asquith-Grey-Balfour-Churchill intellectual incompetents be replaced by Lloyd George and a group of capable men. And some of our readers protested we were unfair and entirely astray.

THE FUEL AND POWER BALANCE.

ONTARIO municipalities and Ontario industries are running short of power. Sir Adam Beck is quite evidently in a quandary. To maintain industrial activity it is proposed to reduce the distribution to certain cities and towns for street lighting, etc. The municipalities are up in arms and with loud voice demand that they be given their quota and that to make up the deficit the exportations to the United States be reduced.

Can Sir Adam reduce the supply of power going to the United States without causing a crisis? We doubt it. Canada is too much dependent upon her Southern neighbor to start a family row. Already we have seen the looming spectre of dire distress if there is any serious interference with our coal supply.

It would only be a logical attitude for the United States to take that the coal supply to Canada should be curtailed if there is any effort to seriously interfere with the supply of power going south. If American industries in the Niagara belt get less power they will require more coal and, to supply more coal when there is a national shortage, what would be more natural than that the shipments to Canada should be reduced? American industries like those of Canada are active on war supplies and the wheels must be kept going.

That in the States the position of Canada is fully appreciated might be gathered from the significant phrasing of a recent official announcement by the Fuel Administration which said that Canada was to be supplied "on a pro rata basis, SUBSTANTIALLY AS THOUGH SHE WERE A STATE OF THE UNION." This indicates that supplying this country at such a time is considered as a special concession.

No, we cannot afford to throw down the gauntlet to the United States on the coal and power issue. On the question of industrial energy we might hold more, but on the question of fuel we should be frozen into defeat.

IN DOUBLE HARNESS.

At a time when there is a tendency in certain quarters to stir up animosities between the French and English-speaking citizens of the Dominion and to sow disunion between the two races, it is a pleasant and a comforting thing to note how splendidly the financiers in Montreal and throughout the province of Quebec are working together in the interests of Canada's Victory Loan.

In Montreal and in each of the ten districts, outside of Montreal, into which the province has been divided for war loan purposes, joint chairmen have been appointed, one being English-speaking and the other French-speaking. The two will co-operate in the organization of the respective districts, each being of assistance to the other in dealing with sections of the community where one or other of the two tongues is spoken.

There will be no question of comparative loyalty in this great undertaking. The bond dealers at any rate are a unit and it is a happy sign and an augury of more harmonious feeling to observe how they have come together and are working thus in double harness for the good of the common cause.

KEEPING ORDERS AT HOME.

ON the theory of the economic advantage of a favorable balance of trade, THE FINANCIAL POST has for months been pointing out that we have been running up an increasing purchasing account abroad, principally in the United States, and that this has been resulting in the loss to the people and to the country of a large portion of the money we have been receiving as the result of a war-time, high-price demand for manufactured and natural products. The more money we can keep at home the more we will have for our own needs and for financing further profitable business from the Allies.

But there are other benefits from spending within our own boundaries. Not only is the balance of trade improved if the money is saved but Canadian industry and business benefits if it is spent for Canadian-made goods.

THE FINANCIAL POST has heard recently of large orders being placed in the United States by industrial concerns which have not shown any consideration whatever for Canadian manufacturers who are in a position to supply practically the same service and products. All things being equal or nearly so Canadian manufacturers should be given every consideration, especially at a time when our economic position demands that the balance of trade be maintained on as favorable a basis as possible.

A remarkable feature of the cases referred to is that the orders were placed outside of Canada by firms which themselves owe their existence to Canadian business made secure to them by the protective tariff. They receive protection so that they may operate in Canada and yet in their own buying encourage foreign competition for others.

COMMON-SENSE AND BUSINESS.

DESPITE the press-encouraged public feeling against what is generally termed "war-profiteering," which is made to apply to the operations of practically all concerns engaged in the manufacture or handling of war supplies, there are evidences of a growing undercurrent of recognition of the part which big business is playing in the present crisis. This is evident in the United States to a greater extent than in Canada.

A few years ago in the States there was a widespread agitation against the so-called trusts. Under the Sherman law attacks were delivered in every direction at big business organizations. Public opinion seemed to demand it and it is always considered good politics to satisfy public opinion, let the consequences be what they may.

In the States to-day these same big organizations are being called upon to save the situation. Combination of interests with increased efficiency of production and service is being recognized as necessary to bring about maximum results. The need of the hour is imperative and big business is called upon to fill the breach. The men who a few years ago were under the shadow of a cloud and liable to be called to court are now being called to Washington to serve the nation.

In Canada, where the need for organization has not been so apparent or where, at least, it has not been fully recognized, big business is still made the target for public attack, and the men whose ability and energy has been responsible for the part the country has been able to play in supplying the Allies' needs are still looked upon by the majority as "profiteers." However, there are indications that intelligent opinion is quietly recognizing the actual conditions.

EDITORIAL NOTES.

HON. T. W. CROTHERS says that he expects to be Minister of Labor after the general election as before, which is saying a lot whichever way you look at it.

* * *

LORD SHAUGHNESSY'S call upon Canadians—all Canadians—to live up to the spirit and the letter of the conscription act will have the effect of putting to rest reports which have been more or less generally circulated to the effect that previous statements on the question of recruiting aligned him with the opponents of the new military act.

* * *

THE conscription of man power for war industrial purposes on the same basis as drafting for active service has been favored by the American Hardware Manufacturers' Association. The argument is that it is just as important to keep the men at the front supplied as it is to send them there—and it is convincing.

* * *

IT IS a relief to find a paper like the Saturday Evening Post with its two million of circulation throughout all classes of Americans and Canadians telling the people in quiet language to conserve food to supply the men at the front and the people of the Allied nations. THE POST says we are to save food—there is no talk of price regulating or "profiteering."

THE RAPID RISE OF "HURRY-UP" HURLEY

Chairman of United States Shipping Board Who Rose from Railroad Engineer to Millionaire Manufacturer in Fifteen Years.

"Hurry-Up" Hurley is the name which Edward Nash Hurley has made for himself in Washington. The Chairman of the United States Shipping Board has had a remarkable career. To-day a millionaire manufacturer and in charge of the American shipbuilding program, he was a locomotive engineer fifteen years ago. Three years ago he was summoned from Illinois by President Wilson to sit on the Federal Trade Commission when that body was organized in 1915 and since then he has done much to put the Stars and Stripes into ports where it has not fluttered since the United States merchant marine started to dwindle years ago. The following sketch is from The World's Work:

Twenty-nine years ago, the man who is now chairman of the Federal Shipping Board—considered one of the most important, if not the most important branch of the Government to-day—was wearing blue overalls and a greasy shirt with collar attached, minus a necktie. That was on the cab of a locomotive switch engine in Chicago. Mr. Hurley got $35 a month for his work there. He says that $35 was big money to him in those days. Just fifteen years later Hurley was a millionaire and had retired at the age of thirty-nine years.

Mr. Hurley came from Galesburg, Ill. He was born there July 31, 1864. Inheriting the rugged body of his father, who was a general utility man in the Burlington railroad shops, Hurley was attracted to work on a farm during vacation periods of the Galesburg public school he attended. Besides his wonderful health and vigor which have stood him so well since, Hurley got $8 per month for this farm work.

When fourteen years old Hurley believed he had sufficient education and sufficient play; so he entered the Burlington yards at Galesburg. Robert W. Colville, master mechanic at the C.B. & Q. yards, gave Hurley his first real job. He spent two years at the job and decided he could do better elsewhere. Having worked some extra time, he got $36 for his last month's work. He gave his mother $30, kissed her good-bye, and with six one-dollar bills rustling in his jeans, started toward Chicago to become a millionaire. He did not have to pay his railroad fare to Chicago, so a thirty-cent breakfast he had in Aurora the next morning left him with $5.70 when he got a place on a switch engine. Twenty-six months later, at nineteen, he was one of the youngest engineers on the whole Burlington road, in charge of an engine on a suburban run between Chicago and Aurora. Mr. Hurley says the training he received in cleanliness and orderliness while helping his mother about the kitchen in his kid days was one of the big elements in getting him this promotion.

The nearest Hurley, the engineer, ever came to an accident was one dismal, foggy morning as he was taking his passenger train into a long switch on Western Avenue. As Hurley drove his engine in sight of the siding he saw that a freight had just cleared it and was running up on the switch. As Hurley's train crossed in, he suddenly was shocked into momentary numbness to see that the freight train was pulling on to the main line over a switch that connected with the siding about half way down. Let Hurley tell the rest.

"It's a fine thing to talk about dying at the post," Mr. Hurley said as he smiled reminiscently. "I believe it's a lot better, however, for a man to do his whole duty and get away with a whole skin. In this instance, I did the former but failed of the latter.

"I quickly realized there was only one thing on earth to do—shut off steam, throw in the sand, and set the brakes. I did this, told the fireman to jump, and wasn't much behind him when he landed.

"I struck feet first, pitched forward on my hands, and plowed up several feet of the hardest cinders I have ever come in contact with. Those cinders ripped considerable cuticle from my hands and filled my eyes. I raised my hands to wipe the dirt from my face and left great smears of blood from forehead to chin. When passengers and the rest of the train crew ran up they saw me covered with blood and lauded me for sticking to my post and saving the passengers! It was some years before I ever told any one I had jumped."

Railroading on the Burlington

Mr. Hurley put in nearly four years and a half on the Burlington. When he "went out" with the Brotherhood in the historic strike of '88, he left the Burlington for all time. After the strike he became secretary to P. M. Arthur, of the Brotherhood, with offices in the Grand Pacific Hotel. From that position he went back to railroading, as passenger engineer on the Santa Fe. He put in three days when a committee from the Brotherhood told him it was not altogether right that he should go back to so strenuous a job so soon after leaving a desk job. Hurley said he was so glad to quit he never even asked the Santa Fe for the three days' pay. The Santa Fe still owes him the money.

It was at this point in his career that Mr. Hurley ventured into politics. His venture was short-lived. He says he has since this brief venture confined his politics to casting votes at elections. He made a dismal failure as an embryo politician and admits it with a smile. The story of his one failure is brief.

Mr. Hurley was interested in a certain candidate in an approaching election. Voluntarily he set out collecting campaign contributions. He collected $50, all from then Collector of Customs Stone. He turned it into headquarters, but it wasn't used, so it was returned to Mr. Hurley after the election—much to his surprise. There was a surprise due to Stone also when Mr. Hurley took the $50 back to him. Stone was so surprised at this unusual procedure that he gave Hurley a position as deputy collector of customs, which he held from December 1, 1888, to January 1, 1890. He resigned to become chief engineer of the Cook County Insane Asylum, a post he had expected to get because of his political work. However, he did not keep the place long. He grew weary quickly of the politics he was supposed to play, and resigned to "go to work."

His next work was as representative in the West for a firm that made metallic packing for valves and pistons. The salary was $100 per month. It was in this position that he "found himself."

Inventions in Pneumatics.

He had long been interested in the application of the pneumatic principle to tools. Spending his spare time tinkering, he one day perfected a pneumatic bell-ringer. After that came a pneumatic sander for tracks, and a pneumatic hammer. For them Mr. Hurley got only $25 a month increase in his salary. Other inventions which he turned over to the firm in the course of time got him an increase to $300 per month.

Then Mr. Hurley invented a pneumatic blow-off cock for throwing dirt and sediment out of locomotive boilers. He asked his firm to hear a proposition. The proposition was that he would turn the invention over to the firm, which would make a profit of $5 on every one sold, and Mr. Hurley would receive a royalty of $1 on every one sold.

"The firm couldn't see the proposition in any light," said Mr. Hurley grimly. "They insisted that I had perfected the thing while employed by them and that it was theirs, not mine. They even refused to raise my salary; that was also completely out of the question.

"Now, mind you, I had done more than the average employee. I had crawled under engines and had worked all hours of the day and night. When I went out to sell packing and it was slow making a customer see the advantage of my goods I hammered packings into place to put my arguments across—and they usually went across when I did that. There were not fifteen locomotives west of Cleveland that used our packing when I started in with that firm. At the time I made them my proposition in 1897, after five years of service, there were not fifteen engines that did not have the packing.

"It was the turning down of that proposition that started me out in business for myself."

Mr. Hurley's business start was "ragged" as he puts it. There were himself and two expert machinists. They began in a barn. Three months later the first pneumatic boring machine was put on the market, and Hurley was made.

April 1, 1898, Mr. Hurley opened the office of the Standard Pneumatic Tube Company of Chicago with a capital of $50,000. He had mortgaged nearly everything he had to start. The first year the company made $7,500, which was what a 15 per cent. dividend amounted to.

Making a Million.

A year later the Standard company's profits were $33,000. In 1900 they totalled $90,000. Three years after the company was organized the profits reached nearly $150,000, and in February, 1902, it sold out to its only competitor at a price that made thirty-eight-year-old Edward Nash Hurley a millionaire.

The sale of the property was attended by an unusual incident. Mr. Hurley took his tools to London to show them off. They "acted well," but the Englishmen were not quite satisfied. Therefore, Mr. Hurley took out a set of the English tools and put them through the same paces he had just put his own through. The sale was clinched. The papers were drawn up and signed. By the sale contract, Mr. Hurley got, besides a cash payment of $30,000 which he cabled to his wife instead of trusting it any other way, a large block of stock in the English concern. Long afterward, he discovered an error in the drawing up of the papers which, technically, made the contract absolutely worthless. But to the credit of the Englishmen, they set the matter straight.

Mr. Hurley to-day is as young as he was twenty years ago. He is blunt and forceful. He is teeming with energy and, while driving himself, also drives every one who comes in contact with him, but withal he is tolerant of other viewpoints than his own. He is heavy set, and still shows signs, both in dress and appearance otherwise, of the wholesome, out-of-doors life and work he did when engineering. His hands are thick and his fingers stubby. When he signs his name to shipping contracts his pen frequently tears the paper. He can't use a fountain pen. They are too frail for those burly hands. The pen points he does use wear out quickly. One pen lasts him little more than a week. His forcefulness is too much for them.

Mr. Hurley's knowledge of shipping is small—or rather it was small when he started. He learns quickly—and thoroughly. He tells the following on himself:

"No, I have not had much experience with things that float. My only experience in that line until I took the chairmanship of the Federal Shipping Board was with a tub on Cedar Fork Creek. Cedar Fork Creek runs through Galesburg and under the streets for several blocks, making it a wonderful subterranean river for youngsters to explore in spare moments. I have sailed many an ordinary wash tub through that tunnel with the other boys of the town."

PERSONAL

J. N. GREENSHIELDS, K.C., a director of the Wm. Lyall Shipbuilding Company, left for Vancouver early this week in company with fellow-directors Wm. Lyall and H. W. Beauclerk. This company is the latest to which Mr. Greenshields is giving his attention. It was organized a few months ago with a capital stock of $1,000,000, and has contracts already started at Vancouver for the Imperial Munitions Board, and many more are expected in accordance with the big program that is contemplated in Canada. This concern is entirely separate from the P. Lyall & Sons Construction Company. Rumor on the street has it that the retirement of Mr. Greenshields from the Board of Quebec Railway was due to his desire to give more time to this new project. Mr. Greenshields was forced out of Wayagamack, but still retains a directorate in the Brompton Pulp & Paper Co.

GENERAL GEORGE W. GOETHALS, who has been elected president of the Wright-Martin Aircraft Corporation, was undoubtedly appointed at the suggestion and with the approval of United States government officials who appreciate the importance of the aircraft emergency. His reputation as an organizer and as one who accomplishes almost the impossible was earned and established on the Panama Canal. Later, when the Government was confronted with one of the most important war problems, the construction of a war emergency fleet, General Goethals was selected as general manager to prosecute the work, but owing to petty politics was finally forced to relinquish the task. His connection with the Wright-Martin Corporation would seem to assure a speedy and large production of Hispano-Suiza motors on which the Government must depend largely for its fighting machines. After the meeting at which he was elected president, General Goethals said: "I have seriously considered and discussed my acceptance of the presidency of the Wright-Martin Corporation and have accepted it with a view of doing some work that will be useful and assist in the prosecution of the war. My acceptance is from a sense of duty and for such time that I can be helpful or during the period of the war."

CURRENT OPINION

Lethbridge *Herald*.

It is now charged that the new government is the creation of "Big Business." Time will tell.

In the meantime we don't think Big Business will put anything over on the Western Liberals and Frank Carvell and N. W. Rowell. If it does then we can get busy and slay them.

But imagine Big Business getting a man like Thos. H. Crerar to worship at its altar.

Of course some people say the capitalists and the munition makers started the war and it is only natural for some partisans to allege that Big Business created the union government. Personally we don't take any stock in either charge.

SIR JOSEPH FLAVELLE.

Medicine Hat *News*.

THE FINANCIAL POST of Canada is afraid that the attack made on Sir Joseph Flavelle will keep big business men out of public life, that they will not sacrifice their private affairs to serve the nation in a public capacity. While it may be that the investigation in Sir Joseph's manipulations of bacon, eggs, etc., may clear him of the charge of making excess profits both out of the British government and the Canadian people, such a result is hardly expected. If the bacon knight is guilty, as charged, and if he is the type of "big business" man THE FINANCIAL POST is afraid will be kept out of public life, the general public will shed no tears if the "big business" men decline to become sacrifices on the altar of public service. The country wants big businessmen not big-business men. It wants men who have large capacity for business but have the interests and welfare of the people at heart, not the interests of big business. Men who build up great business concerns by extorting unreasonable prices from the consuming public are not good public men, their sympathies are in the wrong place.

It is not a view popular with the general public but the fact remains that the development of "big business" by 'big business men" is the result of those methods of efficiency and organization so necessary if we are to hold our position in world-business, and build up those industries which provide a livelihood for the bulk of the people.

THE FARMER AND FIXED PRICES.

Grain Growers' Guide.

In the cities and towns throughout Canada the increased cost of living is being felt very severely. Many people expected when the food controller was appointed, that he would immediately begin fixing the prices on all kinds of food products and reducing them to somewhere near the level prevailing before the war. Already the price of wheat for the present year has been fixed and there seems to be a good deal of talk about fixing the price of other kinds of farm products. It is not on record anywhere that in the days when farm products brought such a low price, that there was no profit in them for the farmer, that action was taken either by the government or by the people living in the cities and towns to help out the farmer. In those days, the farmer was supposed to keep on producing and when the price went below the cost of production, he was supposed to lower his standard of living in order to meet it. The only help that was forthcoming for the farmer in those days was the widespread suggestion from those who never did any farming, but who made a very handsome profit out of the farmer, that he should go into "mixed farming." Since the war broke out the farmer has been getting better prices for his products. In fact, the only thing that has saved Western Canada from a very severe financial reverse, has been the war prices for all kinds of farm products. The government and the business interests of Canada have received for the first time an ample demonstration of the fact that prosperity for the farmers means prosperity for all Canada. The fact should not be forgotten.

If we are to have an epidemic of price fixing it should not begin and end with the farmer. Everything the farmer has to buy enters into the cost of production of his grain and his livestock and other farm products. The price of all of these things has increased enormously. The protected interests of Canada, the financial interests and the transportation interests are all making huge profits out of the business of the farmer to-day. If the food controller is going to fix the price at which the farmer must sell his products, then some other government official should fix the price at which the farmer may buy his necessities. If all of these other interests are going to be allowed to put their heads together and get the highest price the traffic will bear, then there is no justification for the government stepping in and refusing permission to the farmer to get the highest price the law of supply and demand will provide.

AMATEUR MEDDLING CAUSE OF THE PANIC

Uncertainty and Anxiety as to the Future Responsible For Depression in the Security Markets.

Written for THE FINANCIAL POST by Agnes C. Laut.

With C.P.R. selling within eight points of what it did when the war broke out in 1914, and other rails sliding down the same scale, however much fixed prices and taxation of profits may explain munition stocks, they don't explain the jolt in finance. A pool has been formed to bolster the market, but with the public out of the market no pool can bolster it.

I know the hackneyed explanation that American securities sent back from Europe are being thrown on the market for the investors to buy Liberty bonds; but if conditions are sound, investors don't throw good securities on the market. On their present price basis, many of these stocks will pay 10 per cent. Liberty bonds will not pay more than 4½ per cent.

Is peace impending? Gary says war for four more years. Armour says peace by Christmas or spring; and both men are uncanny in their shrewdness and both have been at the front studying conditions at first hand.

I know crops are short, appallingly short, much shorter than official estimates give; but a 60 per cent. cotton crop at 100 per cent. increased prices will give bigger returns than 100 per cent. cotton crop at low prices. Likewise of wheat! Six hundred million bushels of wheat at $2.20 mean bigger totals than a billion bushels at 20 cents. You can work the same thing out on corn or meat.

Money is Timid.

War preparations are going ahead feverishly. There is no stalling there. Whence comes the stall in finance? Why is money suddenly timid? Twenty billions required for war finances are going to tighten up a lot of money; but except for $1,000 a man spent in maintenance and equipment in Europe, which will total one billion dollars for a million men, all that 20 billion dollars will be respent right here and should be speeding industry up to feverish prosperity—instead of which, read the market value of securities!

If you get big manufacturers talking you will find it is not peace they are afraid of. It isn't war they fear. Neither is it taxes; and everyone agrees there must be no abnormal profiteering out of war. What is giving the shivers down the business spine is the sense of uncertainty. Can they get their raw supplies? At what price will they be able to sell what they produce? To what extent is the Government going to jam its crowbar into the wheels? Wages are sky-high. Raw supplies are uncertain. Trade demands don't know whether they can get what, or when; and strikes are so general that wage advances have gone 50 to 70 per cent. since April in shipwork, steel, lumber, mines. Many concerns—the packers, for instance—are at the point where they would prefer to hand their business over to the government holus bolus for government operation during the term of the war, rather than go on bucking into uncertainty.

Uncertainty the Reason.

It is because of this uncertainty as to what government interference will or will not do, that the banks are selling their American securities. American concerns are solvent and prosperous now; but with amateur interference for a year, will they be solvent in a year? That is the interrogation mark that is letting fear in and prosperity out. The army is not to blame, and the navy is not to blame. The blame rests with the horde of civilian amateurs, who have been hoisted into administrative positions by the war. Garfield may know how to run a college; but does he know how to run a coal mine? Coffin may be a big engineer; but is he a sound financier to dictate terms to a big industry? Uncertainty and fear, these are the real factors beneath the panic of the market for the last ten days.

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ENGLAND AFTER WAR.

Normal Conditions Should Be Reached Without Great Distress.

London, Oct. 4.—(Special to THE FINANCIAL POST.) — Opinion is growing that after the war in England normal conditions will be reached, although not quickly, without any great amount of distress. All the essential industries here have retained a very big amount of labor and that which they could not retain has been replaced by female help so that the production of the country will not be unduly hampered.

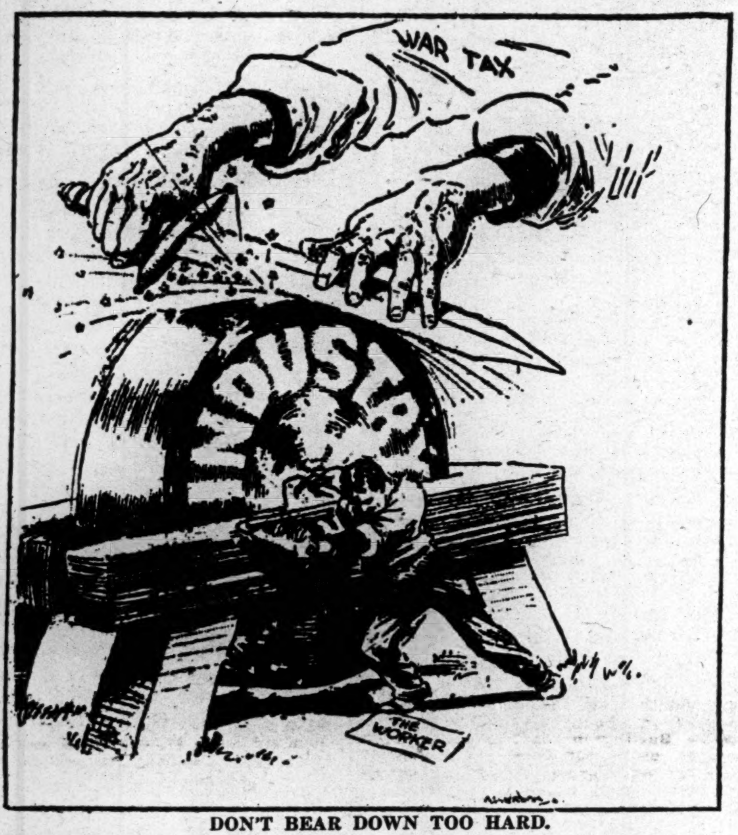
The distributing houses will be able to get their help back very quickly because it has been arranged that all men who have positions to go to will be discharged immediately.

The men who will be retained in the army, having no employment to go to, will be returned to the camps in England from which they will be given leave to secure employment.

The army is discharging at the present time probably more men than it is taking in, because a lot of men were accepted who were of very little service and are not being retained. Consequently the labor of the country is not now being further drained.

The youths who are going into the army will not be missed to any extent because their services have not been used in civil life so much and their position will be taken in civil life by the boys leaving school.

The war may go on another year but in the meantime the best plan is to be prepared for any developments.



DON'T BEAR DOWN TOO HARD.
Dayton, O., *Journal.*

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

PULP AND STEAMSHIPS.

A.R.R., Ottawa.—Would ask you to let me know the advisability of buying North American pulp stock at the price it is at now and whether it is a safe investment. Also tell me if Canada Steamships common is a good buy for quick turnover.

In view of the fact that North American Pulp and Paper Companies are not paying dividends on either preferred or common stocks and that it will be at best some time before they will be in a position to do so, we do not regard a purchase of stock at the present time as an "investment." The corporation undoubtedly possesses great potentialities but it has been very heavily capitalized and, with the uncertainties surrounding the future of the pulp and paper industry, the outlook is not one on which we can speak with assurance.

We would say, however, that the stock, at present prices, makes an interesting speculative issue. It can be bought very cheap, which makes it tolerably certain that the purchaser will not lose much by the transaction in any case, while the size of the plants owned and operated and the extent of the corporation's resources in timber lands, water powers and railroads, should, with reasonably good management, lead to satisfactory results later on. The corporation showed a net deficit last year of $312,411. For the first six months of this year, there was a favorable balance of $262,510. This will probably be increased to over $500,000 by the end of the year, showing that progress is being made in the right direction.

Your inquiry regarding Canada Steamships common involves a straight speculative point which we do not care to deal with. Selecting stocks for a quick turnover in the present market is gambling on events which no one can definitely foretell. The market is in an obviously nervous state and there is a lack of buying demand such as has not been known for years. Generally speaking Steamships has been performing well recently and the outlook is that it will have attractive speculative possibilities for some years, as the process of readjustment of steamship rates promises to continue for some time after the end of the war owing to the shortage of tonnage. But exactly where the bottom of the present decline may be or when the upturn may be looked for is another matter.

EQUITY LIFE.

Policyholder, Toronto.—"Would you kindly give me some information about the Equity Life Assurance Co. of Canada?"

The Equity Life is one of two life companies operating under an Ontario license. Its field of operation is limited pretty much to Toronto and vicinity. The management is conservative and the company is being operated along sound actuarial lines. Only non-participating policies are sold and risks are confined to total abstainers. This eliminates at once the question of profits, while rates are low and the death rate very moderate. H. Sutherland, president and manager, has had a long and successful career in the life insurance field and gives his personal attention to every detail of management.

The present position of the company is reported to be satisfactory. New business closed is running well ahead of last year; premium income is considerably larger and the ratio of expense to income is being steadily reduced, being now down to nearly 21 per cent., which is a fine showing. So far as death losses are concerned, this company, like all other life companies, is experiencing a rather heavy war loss. Even so, the total of deaths is under fifty per cent. of the expected and a reserve is being set aside to meet abnormal claims. The management express no apprehension over this aspect of the situation, pointing out that policyholders are well protected by the reserve and the uncalled capital.

HIGHER RATES NECESSARY IF FREIGHT MOVEMENT IN TO BE MAINTAINED

Continued from page 1.

return of four per cent. on the investment. It is one of the wonders of the world the low rate of interest that has been paid to build the railways and it will only be when investors shut up their pockets and refuse to subscribe more money, that the public will realize that persecution of the railways does not pay. I plead to the public to take action to stop such a serious state of affairs and if no action is taken, then I do not believe there are twenty men in Canada, outside the railway managements, who realize the serious position that must arise."

Service Requires Funds.

Mr. Smithers makes the point that increased rates are not being demanded for the benefit of shareholders; they are required for the maintenance of efficient service. We are not asking for this increase of rates to go into the pockets of the shareholders," he exclaimed. "Every dollar of it will be spent in Canada for the benefit of Canada. We are told our lines are congested and we must provide more power and more cars; we are told the people of Canada do not care about shareholders, all they care about is increased accommodation. Well, if that is so I believe the Canadian people do not understand the position. They must realize that to provide increased accommodation without regard to cost is impossible. Since I have been out here, I have ordered cars at three times the pre-war price, and locomotives at two-and-a-half times the pre-war price.

"We want to increase cars and locomotives because of the big business created by the war. Everyone is making profits by that business but the railways, and yet they are expected to spend money to enable that business to be done at a ruinous loss. Every business man must see that it is an impossible condition. No company can raise money on such conditions, and unless some pressure can be brought to bear on the Railway Commission by strong expressions of public opinion, the credit of the railways, which in every country is only second to the Government itself, must suffer such deterioration as will react most injuriously on the country at large.

"That the railways should be strong is necessary to the prosperity of Canada.

"To widen and strengthen her foundations, Canada wants credit and population. She will not get credit by ruining the railways; she will not get population to till the soil to the best advantage if the railways are inefficient."

Railways and the War.

Mr. Smithers argues that the railways have played and are playing a very important part in war activity throughout the country. The time has passed when service can be maintained by speeding up with the old equipment. New equipment is required to insure efficient service and this equipment cannot be secured if there is no assurance that it can be used at a profit. He points out that without the railways business must stop and yet, while the railways have to meet the very same conditions other interests have surmounted, the railways have been unable to follow the example of industry and agriculture in raising prices for their products. The Railway Commission has refused to act; the evidence of the necessity is irresistible and yet nothing has been done.

Further with regard to the seriousness of the position of the railways—a position in which he says there is danger of ruin—Mr. Smithers argues that the railways are being asked to meet, without assistance, perfectly impossible conditions. The experience with the Railway Commission has been that while the railways have been forced to meet every demand of labor promptly the anticipated decision to raise rates to partially meet increased expenses has been so delayed that even if granted now the time is so short until the end of the year, the amount to come in from such increase this year would fall far short of a third of the increased expenses being met.

An Unfair Tribunal.

"The Railway Commission was formed like the Interstate Commerce Commission in the United States to control the railways and to hold the scales fairly between the public and the railways. Is it holding the balance fairly to compel the railways to furnish continued increased accommodation, to spend money regardless of consequences, and to turn a deaf ear to the case of the railways? How can it be expected that railways will be able to obtain further money from investors when the investments already made are in imminent peril?"

Mr. Smithers gave figures in connection with his arguments for higher freight rates showing that the labor bill of the Grand Trunk this year will increase over last year by $4,500,000 and the coal bill will be higher by $6,000,000. Everything the company uses has increased in cost from fifty to one hundred and fifty per cent. "These facts are undeniable," he said. "How then in the name of common honesty or common sense can a rise in rates to meet these conditions be refused? The trade of the country could not be carried on for a day without the railways. That trade has been carried on at a great profit to every interest but the railway interest because everyone else has been allowed to raise prices, and the railways upon which it all depends are to be brought to the verge of ruin because they, of all the interests in Canada, are the only interests not allowed to raise their rates to meet the increased expenses."

Compared With C.P.R.

Mr. Smithers was at this point asked regarding the argument that the increase would chiefly benefit the Canadian Pacific and the contention that that system did not need greater income. On this point he said, "I understand that a great portion of the wealth and prosperity of the Canadian Pacific comes from its land and other outside sources and that its profits from the actual working of the railway are not excessive and those profits must be seriously curtailed by the increased expenses. I do not know what the increase in their coal bill is, but I have seen it stated on good authority that their labor bill for this year will show an increase of over $9,000,000, and judging from the position of the Grand Trunk Railway, I am sure it will amount to quite that sum.

"The Canadian Pacific do not require any defence from me, but I may ask where would Canada be to-day without the Canadian Pacific and Grand Trunk Railways? And is it fair or just that because the Canadian Pacific took a great risk, and in consideration of gifts of railway and land and subsidies, built their railway and opened up immense tracts of country; is it fair because they have reaped a justifiable reward for their enterprise, that their poorer neighbor the Grand Trunk Railway, which has not enjoyed these advantages, should be seriously crippled because it would involve giving the Canadian Pacific a perfectly legitimate increase of rates to meet the present unparalleled conditions?

There are plenty of rich companies and firms in the United States and Canada who have raised their prices to meet present conditions and made increased profits; yet, because they were rich, they were not forbidden to increase prices because it would increase their profits. It is true they have very probably had to pay a war tax, and I should say it would be quite fair if an increase of rates gave the Canadian Pacific an additional profit over last year, that a portion of such additional profit should be taken as a war tax by the Government; but I do not believe for a moment there would be any additional profit. I believe even with the increased rates, there would be a loss and not a profit compared with last year."

The Foreign Board.

Discussing the point which has several times been raised as to the efficiency of administration under a board sitting in London, Mr. Smithers stated that this was empty talk. His stand was that the management of the system is practically centred in Canada under the president. Only certain matters have to be brought to the attention of the board and with prompt cable service there was never twenty-four hours' delay on this account. He intimated that any action at the London end was taken by himself and that the board merely met formally occasionally to look after the interests of the shareholders.—

THE INDIVIDUAL AND COST OF LIVING

Ever since the rising cost of living has caused public unrest and a daily-press fed agitation for price control and price regulation—anything to allow the individual to get through war conditions without feeling them—THE FINANCIAL POST has been demanding cool thought in connection with the matter. We have been pointing out that there is a world shortage of food; that there is war-time inflation which is reducing the value of the dollar; that being an exporter of foodstuffs, Canada is, in fact, reaping prosperity from the high prices; and that the national duty is to reduce consumption, thereby increasing the supply of food for the men under arms and the Allied nations, as well as sustaining prosperity by the revenue therefrom. Such views do not appeal to the popular mind, nor to the popular press, but they are sound because they are based upon the simplest mathematics—less divided among the same number gives a smaller amount for each.

Our views in the matter coincide very closely with those of the "Manufacturers' Record," which prints the following, bearing upon the manner in which the public ignore the very simple principles involved in the present problem:

> "What are the poor people and men of moderate salaries to do in view of the increasing cost of living?" asked an intelligent minister sitting in the office of the Manufacturers Record.
>
> "I have no faith in your friend Hoover," telephoned an intelligent woman, and when asked the reason said because Hoover had not reduced the cost of foodstuffs, and she was thinking, not of herself, but of poor people.
>
> These two questions are typical of the questions that millions of people, who ought to have the capacity to think, are asking, apparently without putting their thinking apparatus to work. The minister, a broadly informed man on general subjects, was densely ignorant of the actual conditions of this world war and the shortage of foodstuffs and of the necessity of conservation. The question that confronted him was the personal question of how shall the man of limited means care for his family in these times of rising prices.
>
> The good woman who telephoned her condemnation of Hoover should have understood the situation, but, like millions of others, she did not, and she was blurting out a condemnation of Hoover's work which, in its influence for evil, could scarcely have been improved upon by German spies, for every time she repeated the question to herself or to others she spread the thought of a false conception of the whole situation.
>
> Had the preacher comprehended the full significance of this world tragedy, he would not have concerned himself so much about the rising cost of living, for he would have gone out and given his life to preaching to those poor people and to all others the reality of this hour, which must bring sacrifice and suffering to tens of millions and which the people must be taught to endure heroically, just as the soldier on the battlefield meets the sufferings and the privations and the agony and, perchance, the death that comes to him as he does his part of the work. Here are people back at home thinking in terms of personal comfort, thinking of living as they did before the war, or, perchance, of saving a little here and there, but having no thought whatsoever that this nation, to a large extent, must learn the same spirit of sacrifice in the home as that of the soldier on the battlefield.
>
> No man has a right to expect that he shall not have to sacrifice to the utmost limit of his strength. He must, if need be, wear his old clothes and his old shoes, and count them as a badge of honor, not simply to save, but because the soldiers need the shoes and the nation needs the work of the men who make these things. The man or woman who buys unnecessary clothes or shoes or hats or bonnets is taking the needed clothes from the backs of the soldiers, is making them suffer from lack of shoes and is tying the hands of this great nation as it struggles to free itself from the deadly grasp of Prussianism, which even now has its strangle hold upon the nation's throat.
>
> Hoover cannot overnight increase the food supply, nor can he awaken the people so steeped in thoughtlessness, as most of our people have been, to the necessity of food conservation. He can war against wastefulness, he can fight in behalf of food production and food conservation, but there is no power given unto him, nor to this Government, nor to any other government, that can overrule conditions as they exist and undertake to make two and two five instead of four. We might just as well attempt to change by edict the multiplication table as to berate Hoover and the Government for inability to change the multiplication table of human necessities and the shortages in connection therewith at this hour.

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NEWS OF THE BOND MARKETS

ORGANIZATION FOR WAR LOAN IS PERFECTED

All Offices Are Now Open and in Full Operation in Toronto.

IN THE OTHER PROVINCES

How Local Organizations Are Being Put Into Shape in Quebec, Manitoba and Saskatchewan.

While bond dealers are concentrating on war loan and office staffs are greatly depleted, this does not mean that ordinary business is at a standstill. It is true that no selling effort is being put forth Yet there are always a certain number of orders dribbling in and these are being filled as circumstances admit. Municipalities continue to offer issues on the market in spite of the adverse conditions prevailing. To requests for tenders, dealers are returning polite replies that they are unable to make offers at present owing to the war loan flotation but that as soon as this is out of the way they will be glad to take up the matter again.

The work of organizing the country for the Victory Loan campaign is progressing satisfactorily according to those in charge at headquarters. County chairmen have been named in most cases and local organizations are everywhere getting shaped up. It is most gratifying to note the splendid character of the men who are lending their names, their efforts and their influence to the work all through the country. The very best choice possible seems to have been made in each case.

Ontario headquarters in the Canada Life Building, Toronto, are becoming daily a scene of increasing activity. Here G. H. Wood of Wood, Gundy & Co. is in charge, assisted by several prominent bond men. The York county sub-organization has opened offices in the Ryrie Building and E. R. Wood's special clients' committee is locating in the former Quebec Bank Building. The Toronto committee will have their headquarters in the old Royal Bank Building.

Quebec's Organization.

Last week THE FINANCIAL POST published the names of the Ontario district organizers with the territories assigned to each. The Quebec arrangements are even more interesting. The province, outside of the Island of Montreal, has been separated into ten divisions, with two joint organizers, one English-speaking and the other French-speaking, at the head of each. These are as follows:—

No. 1.—A. Richard and H. P. Thornhill, organizers. Counties of Ottawa, Pontiac, Temiscaming and Argenteuil.

No. 2.—Jos. Versailles and N. D. C. Mather, organizers. Counties of L'Assomption, Montcalm, Soulanges, Terrebonne, Two Mountains, Vaudreuil.

No. 3.—J. F. Boulais and J. B. How, organizers. Counties of Berthier, Champlain, Joliette, Maskinonge, Port Neuf and St. Maurice.

No. 4.—Rene Dupont and H. R. Swenerton, organizers. Counties of Charlevoix, Chicoutimi, Lake St. John, Montmorency, Quebec, Saguenay.

No. 5—E. Ranger and E. C. Alford, organizers. Counties of Beauharnois, Chambly, Chateauguay, Huntingdon, Iberville, Laprairie, Napierville, St. Johns.

No. 6.—C. B. Hibbard and A. J. Nesbitt, organizers. Counties of Bagot, Drummond, Nicolet, Richelieu, Rouville, St. Hyacinthe, Vercheres, Yamaska.

No. 7.—R. T. Leclerc and Wm. Hanson, organizers. Counties of Brome, Compton, Mississquoi, Richmond, Shefford, Sherbrooke, Stanstead, Wolfe.

No. 8.—C. E. Arpin and F. W. Tofield, organizers. Counties of Arthabaska, Beauce, Dorchester, Frontenac, Lotbiniere, Megantic.

No. 9.—J. H. Boisvert and H. R. Wood, organizers. Counties of Bellechasse, Levis, L'Islet, Kamouraska, Montmagny.

No. 10.—F. St. Pierre and W. W. Marshall, organizers. Counties of Bonaventure, Gaspe, Matane, Rimouski and Temiscouata.

As a send-off on their important mission, the divisional chairmen were entertained at a luncheon on Friday of last week by J. M. Mackie, vice-president of the Canadian Bond Dealers' Association: Hon. Walter G. Mitchell, treasurer of the province of Quebec, was the principal speaker, and in a rousing address, assured the war loan workers that they would have the hearty support of himself and his department in the coming campaign. Mr. Mitchell stated that as success for the loan was imperative, it would be generously supported on national lines, and as a matter entirely out of the sphere of party politics. All classes of the province, irrespective of nationality or creed, must unite to provide the Dominion Government with the funds for which it is to ask. Other speakers at the luncheon included Mr. T. Rinfret, A. P. Frigon, E. A. McNutt, and J. M. Mackie, with the speeches alternately in French and English.

The Manitoba Organization.

The Manitoba general committee have completed the task of subdividing the province. Outside of Winnipeg there are ten divisions, each under the care of an experienced bond salesman. Winnipeg itself will be looked after by the general committee. The bond men who will have charge of the special districts are J. A. Thompson, A. N. Strang, T. R. Billett, W. H. Gardner, G. M. Black, William Jennings O'Neill, George J. Seale, Robert McKay, John E. Botterell and D. I. Rossini.

These gentlemen will have charge of Manitoba districts as follows:

Mr. Thompson will have charge of the areas tributary to the towns of Melita, Deloraine, Hartney, Boissevain and Baldur.

Mr. Strang will have charge of the areas tributary to the towns of Virden, Reston, Rivers, Souris, Brandon, Carberry and Glenboro.

Mr. Billett the following towns: Miniota, Russell, Birtle, Shoal Lake, Hamiota, Rapid City and Minnedosa.

Mr. Gardner the following towns: Roblin, Swan River, Minitonas, Gilbert Plains, Grand View, Dauphin and Winnipegosis.

Mr. Black the following towns: Swan Lake, Polit Mound, Manitou, Morden, Miami, Roland, Plum Coulee, Winkler, Altona and Gretna.

Mr. O'Neill the following towns: Letellier, Emerson, Steinbach, Lorette, La Broquerie, Stuartburn and Sprague.

Mr. Seale the following towns: Holland, Treherne, Carman, Elm Creek, Morris, Sanford, Headingly and Rosser.

Mr. McKay the following towns: Neepawa, McCreary, Ochre River, St. Rose du Lac, Arden, Gladstone and McGregor.

Mr. Botterell the following towns: Selkirk, Brogenhead, Oak Bank and Whitemouth.

Mr. Rossini the following towns: Portage la Prairie, Stonewall, Lundar and Gimli.

Saskatchewan's Committee.

Sir Augustus Nanton of Winnipeg visited Regina last week and got the Saskatchewan Victory Loan organization started. Hon. C. A. Dunning, provincial treasurer, was named as chairman of the committee. The other members are vice-chairman, D. M. Balfour; secretary, S. W. Harris; treasurer, H. W. Givings; Arthur Hitchcock and J. H. Kern. Moose Jaw; J. O. Hettle and A. H. Williamson, Saskatoon; G. E. Cork, John Rogers and G. H. Bradhaw, Regina.

Appeal To Societies.

Twenty-five fraternal insurance societies were represented at a conference with Sir Thomas White last week in Toronto, when the Finance Minister sought the aid of these organizations in floating the loan. A resolution was passed heartily endorsing the loan and pledging the meeting to urge the fraternal insurance societies to invest in the loan all their available funds and also to advise each member to invest as much as possible individually. In addition, it was thought best to circularize, if possible, all the membership of such societies, in which case at least 750,000 persons would be directly appealed to in that way. It is expected that the available funds of fraternal insurance societies will amount to something over a million dollars. A small committee was appointed to carry out the details and to keep in touch with the Minister of Finance.

Insurance Men Help.

Both life and fire insurance companies have arranged to turn over their selling organizations to the war loan committees during the life of the campaign. This means a big sacrifice on the part of the insurance companies for it involves a practical cessation of business for two or three weeks. At the same time the war loan organization is getting the advantage of thousands of the brightest and most intelligent salesmen in the country, whose familiarity with selling insurance makes them well qualified to handle bonds.

Winnipeg Will Buy.

Winnipeg is probably the first city to be heard from regarding war loan subscription intentions. The sinking fund trustees will likely, it is stated, take $500,000 worth of the new bonds. Of the first loan, the sinking fund trustees purchased $500,000; of the second issue, $107,500; of the third, $449,000. The city power department has also purchased about $300,000.

TAXABLE OR NOT?

Are War Bonds Subject To Municipal Income Tax.

The question of the city's right to levy income tax on the interest paid by the Government on war bonds has again been raised in Toronto. It came up in the Court of Revision, when an appeal against such an assessment was made by R. L. Fraser. The Assessment Department contended it had absolute right to make such assessment and were to some extent supported by P. H. Drayton, K.C., chairman of the court. Commissioner Ardagh took the opposite view, consequently judgment was reserved. The question had been raised previously and it will probably be settled by the superior courts.

LIBERTY LOAN STILL BEHIND ITS SCHEDULE

Reports Indicate That Subscriptions Are Not up to Expectations.

BANKERS HAVE CONFIDENCE

Pointed Out That in First Loan Campaign Big Gains Were Made in Last Few Days.

For the first two weeks of the Liberty Loan campaign in the New York Reserve District, subscriptions totalled $360,000,000. As the district's quota is $1,500,000,000 the showing is regarded as none too favorable. Other districts have also fallen behind the expected total.

Bankers have confidence that the quota will be taken, says the Journal of Commerce, but this confidence is not backed by results reported so far. The news from all sections of this district, from all loan organizations, radiates this confidence, but the important thing, subscriptions, are lacking. The committees report: "We expect to, or we will, get so much," rather than "Success is assured by subscriptions in hand with total —."

Large Subscriptions Lacking.

There are no particularly weak spots in the district, unless the absence of large subscriptions is counted as such. The farmers are doing better than last spring, the out-of-town sections show more enthusiasm, and in the Greater City the drive is being pushed without cessation and is apparently rousing interest. Yet, on the basis of statistics received so far, the men in khaki and in navy blue have subscribed more per capita and in proportion to their resources than any other class. It is not believed that the people of the New York district will permit the soldiers and sailors of the nation to supply the funds as well as the personnel for America's fighting forces.

An official statement issued at Liberty Loan headquarters on Monday pointed out that on June 8 last, five and a half days before the first campaign ended, Secretary McAdoo announced that subscriptions of only $1,300,000,000 had been received. At the end of the drive the total subscribed was $3,100,000,000. In other words, in five and a half days $1,800,000,000 was subscribed, making an average of more than $300,000,000 a day.

A Blind Race.

The experience of this campaign is expected to duplicate that of the first loan in this respect, but it was pointed out a more extensive system of reporting subscriptions has been built up. The important thing, now, is to have all subscriptions reported, so that the committee will know where it stands as soon as possible. At present it is a blind race, with opinions submitted by loan workers reflecting a favorable sentiment, which is not supported by the figures.

Conversion Privileges.

There appears to have been considerable misunderstanding as to the meaning of the conversion privileges attaching to both the first and the second Liberty Loan bonds. To clean up the difficulty, the following explanatory statement was issued by the New York Liberty Loan Committee:—

15-30-Year 3½'s.

This issue of 3½'s is convertible into any subsequent issue of bonds bearing a higher rate of interest issued during the war, provided the holder converts within six months from the date of the new issue. For example, the holder of the present 3½'s can convert into the proposed 1 per cent. bonds provided he does so before May 15, 1918. If he does not choose to convert into this issue, he still retains the right to convert into any subsequent issue, provided again, he does so within six months from the date of such subsequent issue.

If he converts into the present issue of 4 per cent. bonds, he then becomes subject to all the conditions of every kind, including the conversion feature of the 4 per cent. issue, except that the bonds issued upon such conversion are to be identical with the 3½'s as to maturity of principal, interest dates, and terms of redemption.

The 3½'s have the right to exchange into any subsequent issue par for par with adjustment of interest.

10-25-Year 4's.

The new 4's (or the 4's which are converted from the 3½'s) are convertible into the next issue bearing a higher rate of interest, (if such issue runs over five years), provided the holder elects to convert within six months from the date of this next issue. The bond then becomes subject to the terms of convertibility or non-convertibility of the new issue. If the holder fails to make the conversion within six months, his conversion privilege terminates.

The 4 per cent. bond is convertible at par into a subsequent issue at the issue price, but not below par, with adjustment of interest. In other words, if a subsequent issue is put out at a premium, the holder of the 4 per cent. bond, when converting, must pay the premium.

State of U. S. Market.

In spite of the absorption of bond dealers in the marketing of the second Liberty Loan, the Bond Buyer of New York notes evidence of a stronger tone in the municipal market in the United States. Dealers here and there have recently marked up prices and raised their bids just a little for new issues.

"The sale of several fair-sized blocks of new municipals in the face of the Liberty bond campaign suggests an inquiry as to what these purchases mean. The bond houses are not now making new offerings and, for the most part, do not intend to undertake the distri-

Continued on page 13.

R.C.Matthews&Co.
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Canadian Government
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We recommend the purchase of Canadian Government and Municipal Bonds at present prices.
Send for list of Bonds yielding
5½% to 6⅛%
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BANK OF NOVA SCOTIA BUILDING
TORONTO

DEBENTURES FOR SALE.

Brampton, Ontario

School Debentures for Sale.

TENDERS will be received by the undersigned up to noon, October 29th, 1917, for High School debentures, Town of Brampton. Amount of debentures, $60,000.00, repayable in thirty equal annual instalments. Interest 6 per cent. annually. The highest or any tender not necessarily accepted.

A. G. DAVIS,
Clerk, Town of Brampton.

HAROLD F. RITCHIE & COMPANY, LIMITED

PUBLIC Notice is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 14th day of September, 1917, incorporating Robert Dunn Moorhead, Leopold Macaulay and William Thomas Sinclair, Solicitors, Ethel May Drake, Stenographer, and William Henry Cecil Brien, law student, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To purchase, acquire and take over as a going concern the business now carried on at number 10, 12 and 14 McCaul Street, Toronto, under the style of firm of Harold F. Ritchie and Company, Limited, and any or all of the assets and liabilities of the proprietors of that business in connection therewith; (b) To carry on business as Manufacturers' Agents; to carry on the business of wholesale or retail merchants and to manufacture, purchase or otherwise acquire, hold, own, sell, assign, transfer, invest, trade, deal in and with goods, wares, merchandise and property of every class and description; (c) To apply for, obtain, purchase, sell, assign, lease, operate, hold, own, use, deal in or with patents, industrial designs, trade-marks or trade-names, secret processes and the like; (d) To carry on any other business which may seem to the company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of the company's property or rights; (e) To hold, own, sell, assign and purchase the stock of other companies; (f) To pay the expenses preliminary to the formation and establishment of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Harold F. Ritchie and Company, Limited," with a capital stock of six hundred thousand dollars, divided into 6,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 18th day of September, 1917.

THOMAS MULVEY,
Under-Secretary of State.
McLaughlin, Johnston, Moorhead and Macaulay,
Solicitors for Applicants.

PROVINCE OF QUEBEC MUNICIPAL BONDS

Yielding Over 6%

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W. J. Francis & Co. - 260 St. James St.

WE OFFER

$100,000.00

Town of Saint Laurent, P.Q.

6% BONDS

Due 1st May, 1927

Denomination $1,000.00

Price: 100 and accrued interest.

Beausoleil, Limited

BOND DEALERS

263 St. James Street
Montreal

One of the best AUTHORIZED investments for TRUST FUNDS is our

5% DEBENTURE

Ask for Booklet "About Debentures"

Paid-Up Capital	$2,410,925.31
Reserve	685,902.02
Assets	7,426,971.18

THE GREAT WEST PERMANENT LOAN COMPANY

WINNIPEG TORONTO
VICTORIA REGINA CALGARY
VANCOUVER EDMONTON
LONDON, ENG. EDINBURGH, SCOT.

Canada Permanent Mortgage Corporation

Toronto Street, Toronto

Established 1855

Paid-up Capital	$6,000,000.00
Reserve Fund (earned)	5,000,000.00
Investments	32,264,782.81

DEPOSITS

The Corporation is a LEGAL DEPOSITORY FOR TRUST FUNDS

Every facility is afforded Depositors. Deposits may be made and withdrawn by mail with perfect convenience. Deposits of one dollar and upwards are welcomed. Interest at

Three and One-Half Per Cent

per annum is credited and compounded twice a year.

DEBENTURES

For sums of one hundred dollars and upwards we issue Debentures bearing a special rate of interest, for which coupons payable half-yearly are attached. They may be made payable in one or more years, as desired. They are a

LEGAL INVESTMENT FOR TRUST FUNDS

FIELD OF MUNICIPAL FINANCE

WHY MONTREAL HAS GOT INTO STATE OF DEBT

Not so Much a Question of Men as of Defective Methods.

SENATOR DAVID'S VIEW

Former City Clerk Urges Change in Charging Up Of Local Improvement Costs To Property Owners.

The statement of Sir Lomer Gouin, in protest against the suggestion that the city of Montreal was getting near to bankruptcy, was the subject of congratulations on the part of the City Council this week. Sir Lomer was commended for "the energetic attitude he took regarding the delegation which waited on him and declared the city of Montreal was in bankruptcy, endeavoring by this assertion to injure the credit of the metropolis, which as the Premier said, is the richest city in Canada, and in the future of which he has full confidence."

Methods Rather Than Men.

A valuable contribution to the problem of Montreal's future government was made this week by the former city clerk, and now Senator, L. O. David. Senator David utters a protest against the assumption that "the chief evil lies in the choice of the men entrusted with the city government, and that once they had been replaced the desired reform would be effected." Methods, as well as men, were largely responsible, he contends. He urges several changes, much along the lines recommended by Controller Villeneuve in THE FINANCIAL POST, the chief one of which would be the charging of expropriations and other local improvements against the proprietor of the property benefited, rather than having the city foot the bill, as has been the case for pavements and other works of a similar nature in the past. He also urges that the tax rate be made mobile, as is done in many urban and rural municipalities, so that it would provide for the expenditure of the following year, for the tax rate of Montreal is fixed the year before. Senator David reminds the public that in the year 1888 an effort was made to compel the proprietors to bear the costs of local improvements but this was considered too stringent and was not incorporated in the new charter.

Causes of Bad State.

The ex-city clerk thus enumerates what he considers the "principal causes of the bad state of our municipal finances":

1. Opening, widening and extension of streets and public places and premature creation of parks and boulevards, almost always at the entire expense of the city.
2. Granting of our most valuable franchises without or almost without any compensation, when it is a well known fact that in certain American and English cities such franchises constitute the principal part of their revenue.
3. Laying of pavings, sidewalks and water mains in streets where there is often but one house.
4. Onerous annexations of municipalities which were giving but little to the city and were requiring expensive works.
5. Undue intervention of the Legislature which, in several cases, deemed it fit to impose upon the city onerous obligations.
6. Absence of a general plan of laying out streets in the city and adjoining municipalities.
7. Acceptance of the city of streets which existed only on plans, and necessitated local improvements at the city's expense.
8. Increases of obligations, debts, etc., without a corresponding increase in revenue.

Senator David refuses to commit himself to favor any of the varied plans that have been suggested for the composition of the new government of Montreal, but says "Montreal has never been more in need of the services of its most competent, independent and devoted citizens."

WINNIPEG WATER DISTRICT.

Expenditure to End of June Was Over Seven Millions.

The half-yearly report of the Greater Winnipeg Water District auditors submitted to the administration board last week showed expenditures to June 30, of $7,682,335, including amounts as follows: Aqueduct construction, $4,998,659; construction of railway, etc., $1,601,928; telephone system, $32,747; Falcon river dyke and diversion, $134,571; reinforced concrete pressure pipe line, $274,148; Red river crossing, $3,650; screening plant, $67,723; government pit expenses, $4,596; rock crushing plant, $16,082; preliminary survey, $90,093; discount on debentures and other charges, $180,036, and colonization expenditure, $1,923.

Liabilities with regard to bonds issued to date amount to $8,783,112.

FEARS OVERDRAFT.

Hamilton Did Not Allow Enough For Revisions and Exemptions.

Hamilton's board of control is said to be becoming alarmed over the size of this year's overdraft. They now realize that a mistake was made at the beginning of the year in basing the tax revenue on practically the total assessment, without making any allowance for reductions by the court of revision, tax exemptions by the council, etc. The shrinkage in the estimated receipts is so great that the controllers are taking precautions to prevent future boards from falling into the same trap, a recommendation having been put through the city council requiring the secretary to furnish the board at the beginning of the year with a list of the probable exemptions and remissions based on the exemptions and remissions for the previous year.

POPULATIONS EXPAND.

Assessment Figures of Several Cities Have Been Issued.

Kitchener's population, according to the assessment returns, has increased by 315 this year and now totals 19,695. The assessment amounts to $12,197,163, an increase of $507,144.

The population of Ottawa for 1917 is given by the assessor as 101,549, an increase of 988. The total assessment of the city is $111,472,000, an increase of $1,776,297.

A remarkable gain in population is reported by the assessor of the town of Renfrew. The figure for 1917 is 7,171, a gain of no less than 1,651 or about 30%.

The population of Windsor, Ont., according to the assessment commissioners, who are just concluding their work, will be between 29,000 and 30,000.

A by-law providing for the abandonment of the board of control system will be submitted to the electors of London, Ont., in January. At the same time a commission form of city government may be submitted.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

Oct. 31, Stouffville.—$24,780.43, 5½% public school debentures of the village of Stouffville, Ont., dated September 15, 1917, and approved by the Ontario Railway and Municipal Board.

Oct. 23, Alberta Education Department.—Tenders will be received by the Debenture Branch, Department of Education, Edmonton, up to Oct. 23, on five blocks of school district debentures, amounting to $20,200. Separate tenders to be made on each block. (1) Rurals, 10 years, 7%, $12,400; (2) Village of Oyen, S.D., 20 years, 7%, $4,000; Gerald S.D., rural, 5-year, 7%, $1,000; (4) Ferintosh Village S.D., 10-year, 7%, $800; Carseland Con. S.D., 10-year, 7%, $2,000. M. C. Elliott, Manager, Debenture Branch.

Oct. 29, Brampton.—$60,000 6%, 30-instalment high school debentures of tne Town of Brampton. A. G. Davis, Town Clerk, Brampton.

BY-LAWS PASSED OR DEFEATED.

Stratford.—$15,000 for a storage basin and other extensions to the waterworks plant.

Kaslo, B.C.—$1,500 in extending and improving waterworks; $1,500 to improve electric light plant; carried by the ratepayers September 26.

DEBENTURE NOTES.

Maisonneuve.—The city of Maisonneuve is being sued by the Freres des Ecoles Chretiennes (Christian Brothers) for $500,000 worth of debentures claimed as balance due on properties purchased by the city in 1914 for the purpose of a public park. The purchase price was $1,500,000. The city has offered $308,000, and contends that the balance of the bonds, worth $192,000, are held by parties who have claims to the title of certain parts of the property in question, and that it cannot deliver more than the debentures offered.

Quebec.—The city of Quebec will have to secure borrowing powers from the Quebec Legislature at its next session for at least $1,211,960, which is the amount of its loans contracted on the London market in 1888 and maturing in 1918.

Chatham.—It is stated that Chatham, Ont., has sold to its local investors three issues of 6 per cent. debentures, aggregating $131,000. These issues were offered to the public during the first week of the present month, and as no bids were received from bond houses, the municipality sold them over the counter.

BOND SALES.

$5,625 Asbestos at 76½ to 72; $1,000 Bell Telephone at 93¼; $4,500 Canada Bread at 90; $500 Can. Consolidated Rubber at 94½; $5 Can. Locomotive at 84; $1,000 Dominion Coal at 83; $5,000 Dominion Textile, Series C, at 97½; $3,000 Lyall Construction at 93; $2,000 Montreal Power at 82; $15,000 Steel of Canada at 92 to 91¾; $4,000 Wayagamack at 81½ to 80; $146,500 War Loan (1925) at 96¾ to 96; $65,300 War Loan (1931) at 95½ to 94; $171,900 War Loan (1937) at 94½ to 94.

VICTORIA, B.C. PLANS TO CONSOLIDATE DEBT

Will Make Issue of 5½% Serial Bonds Running Fifty Years.

OVER TWO MILLIONS

Opposition to Scheme Because it Imposes Too Heavy a Burden on Present-Day Taxpayers.

Victoria proposes to consolidate a total of $2,312,887 of unsold stock, now held by the bank as security for issues of treasury certificates, into serial debentures of an aggregate equal amount. The proposed issue will be in denominations of $100 and multiplies thereof. The bonds will be dated, October 10, 1917, and will be payable in fifty annual installments. The interest rate is being increased from 4½% to 5½%, payable at any place in Canada, Great Britain or the United States. The first forty-nine annual payments of principal will be $47,000 and the fiftieth, $9,887. The interest for the first year will amount to $127,208 and will graduate down to $543 in the fiftieth year.

Some objection was taken to the scheme, when it was first brought before council, by Alderman Sargent, who said that under the proposed financing scheme with serial bonds, the present generation is paying the greater part of the cost of permanent works. He said that under current adverse conditions now existing the present generation should be assessed with the lesser amounts, passing the larger assessments over to succeeding generations.

A WARNING.

Finance Commissioner of Toronto Says It's Poor Time To Float Bonds.

Finance Commissioner Bradshaw of Toronto reiterates a warning against the recommendation of works involving capital expenditures. In a letter to the Board of Control this week, he says:—

"There was a definite understanding reached that, at least during the course of the war, new undertakings involving capital expenditures should not be proceeded with unless the same were shown to be absolutely necessary. Apart however from this understanding, I wish now to definitely point out to you that it is absolutely impossible for this municipality, or for any other Canadian municipality, to raise money by the sale of debentures, to any important amount, at the present time, and my view is that this condition will continue at least during the course of the war. It may also continue for some time thereafter. The city has not been able to effect a sale of any of its debentures for almost a year."

This estimate of the situation should be carefully noted by other municipalities.

An offer to float part at any rate of the Montreal $6,900,000 loan, to meet the loan falling due on December 1, has been made to the Board of Control by the financial house of Versailles, Vidicaire & Beaulieu.

Gordon M. McGregor, vice-president and managing director of the Canadian Ford Motor Co., is chairman of the Victory Loan Committee for Windsor and adjacent border cities. William T. Gregory of Leamington will organize the rural portions of Essex County.

E. E. Duckworth, who has been in charge of the profits branch of the accounting department of the Sun Life Assurance Co., has been appointed superintendent of insurance for the province of Quebec. Mr. Duckworth is a graduate of Liverpool University. He taught for some years in Westmount Academy before joining the actuarial department of the Sun Life.

LIBERTY LOAN STILL BEHIND ITS SCHEDULE

Continued from page 12

bution of any new securities until the second Liberty bond issue is taken care of. Hence the buying that has taken place since the first of the month must be in expectation of future business. This is the explanation of the purchase by a New York syndicate of $500,000 Akron School 5's, on which no offering price has been set. Other 'buys' are no doubt being made on the same theory, i.e., with the Liberty bonds out of the way, there will develop a better market for tax-exempt municipals than there has recently been."

The Bond Buyer points out one or two features which will tend to strengthen the position of municipal bonds. One is their tax-free privilege, which will be all the more important seeing that the government does not intend to issue any more bonds that will be entirely tax-exempt. Further it regards it as likely that the output of all new bonds, except war loans, will be steadily decreased.

"Keeping in mind the fact that state and municipal bonds are practically the only tax-free bonds available, with the exception of two billions of Liberty 3½'s, the conclusion that these tax-exempt issues will hold to their present price level in relation to the Liberty 3½'s, and even appreciate in market value, regardless of further Government financing in the form of taxable bonds, is not unreasonable.

Credit-Canada, Limitée

Government, Municipal and School Bonds

President. Hon. H. B. Rainville
Managers { E. A. Ouimet
F. Saint-Pierre

179 St. James Street, - Montreal, Canada

The St. Lawrence Flour Mills Co., Limited

BALANCE SHEET, 31st AUGUST, 1917

LIABILITIES

Capital Stock:			
Preferred shares authorized		$ 600,000.00	
Less un-issued		25,000.00	
		$ 575,000.00	
Common shares		$1,200,000.00	
			$1,775,000.00
Bonds:—			
Six Per Cent. maturing 1st July, 1941		$ 300,000.00	
Less Redeemed under Sinking Fund	$43,500		
Less Redeemed under Sinking Fund, 1918	6,500		
		50,000.00	
		$ 250,000.00	
Add Interest accrued to 31st August, 1917		2,500.00	
			252,500.00
Accounts payable		39,322.99	
Sundry Credits		189,718.32	
Unclaimed Dividends		4,762.90	
Bank Loan—Can. Bank of Commerce		69,293:36	
			303,097.57
Profit and Loss Account:—			
Balance 31st August, 1916		51,116.21	
Profits year to 31st August, 1917		171,071.03	
		$ 222,187.24	
Less Dividends 7% Pref. Shares	$40.223.75		
Less Interest on Bonds	15,693.93		
Less Bond Disct. all written off	18,680.00		
Less Excess profits tax, 1916	9,432.82		
		84,030.50	
			138,156.74
			$2.468.754.31

ASSETS

Real Estate, Building and Machinery, at cost		$ 533,865.36
Open Accounts receivable after providing for bad and doubtful debts	295.329.28	
Wheat and flour bags and barrels	386.246.03	
Sundry Debits	33.734.36	
Stables, Plant, Motors, etc.	10.500.00	
Investments	7,500.00	
Cash on hand	1,579.28	
		734.888.95
Special Account, Property, Goodwill, etc.		1,200,000.00
		$2.468.754.31

TO THE PRESIDENT AND DIRECTORS
ST. LAWRENCE FLOUR MILLS CO., LIMITED,
Montreal.

GENTLEMEN:

I have made a complete audit of your Books of Accounts for the year ending August 31st, 1917, and report that the above statement represents a correct exhibit of the accounts at the close of your trading year.

I have accepted the quantities and prices of your various Inventories, as certified by your Superintendents.

Your stocks have been taken in at less than cost, and considerably below market value.

Ample provision has been made for all bad and doubtful debts and other contingencies.

Respectfully submitted,
Montreal, 21st Sept., 1917. A. SCOTT ROBERTSON, C.A.

A NEWSPAPER DEVOTED TO MUNICIPAL BONDS

There is published in New York City a daily and weekly newspaper which has for over twenty-five years been devoted to municipal bonds. Bankers, bond dealers, investors and public officials consider it an authority in its field. Municipalities consider it the logical medium in which to announce bond offerings.

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25 WEST BROADWAY NEW YORK, N.Y.

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In these dark and uncertain days, only the very best judgment should be employed in selecting investments. Sobered by the lessons of the war, sensible men and women have relinquished schemes to get rich quick by means of speculative securities and they now prefer safe investments yielding moderate interest to questionable ones with high rates. Beneficiaries under insurance policies are often perplexed as to how to invest their monies safely and profitably but the continuous monthly income policy, payable in monthly instalments throughout life, and for twenty years certain, solves the problem completely. It constitutes an automatic safe investment and is issued by

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WATERLOO, ONTARIO
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British Colonial Fire Insurance Co.
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AGENTS WANTED IN UNREPRESENTED DISTRICTS

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CANADA NATIONAL FIRE
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Fair dealing and progressive business methods have given it leadership in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Total Income, Premium Income and Payments to Policyholders.

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Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
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The Experience of Manitoba
Politics *vs.* Service

Students of public ownership problems should give careful consideration to the experience of Manitoba in the operation of its telephone system—the largest under government ownership in America.

They should read how the usual evils of politics and patronage undermined the efficiency of service and the stability of finances.

They should learn from the results of a careful and thorough study by an eminent authority of actual conditions kept from the public by astute politicians.

By James Mavor, Ph.D., Professor of Political Economy in the University of Toronto, author of "An Economic History of Russia," etc., etc.

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INVESTORS' INSURANCE NOTES

BIG BUSINESS IS REPORTED BY LIFE CO.'S

Experience for First Nine Months of Year Has Been Highly Favorable.

RUNNING AHEAD OF 1916

Investment Situation Presents Some Interesting Features—Little Investing in Mortgages at the Present Time.

How New Business of Canadian Life Companies is Expanding.

	1917 (9 mos.)	1916 (9 mos.)
Confederation	$10,800,000	$8,100,000
Dominion Life	3,616,000	2,755,000
Imperial Life	10,322,119	6,905,453
London Life	11,750,000	9,200,000
Mutual Life	16,923,381	11,294,098
North American	9,100,000	7,000,000
Sun Life	*43,559,614	*36,177,650

*Applied for.

Canadian life companies continue to report substantial gains in the amount of new business written up. Statements made to THE FINANCIAL POST by several of the leading companies all indicate a considerable growth in this particular for the first nine months of the year. The general experience during this period in the matter of premium payments, lapses, and surrenders has been most favorable, while death claims, though heavy, have been satisfactorily met. Interesting comments are made on the investment situation by several life officers.

Crown Life.

"We have found a strong demand for life insurance throughout the year," reports H. R. Stephenson, assistant manager and actuary of the Crown Life Insurance Co. "It has been our policy, however, not to increase the amount of new business written, and, as a result of reductions we have made in our agency force, the amount of business issued to date is about the same as for the same period of 1916.

"Collections have been quite satisfactory and cancellations less numerous than in previous years. The number of policies surrendered for the cash value is especially small.

"A considerable number of death claims have resulted from the war. Death claims from other causes, however, have been remarkably small, so that our total claims to date amount only to about 60 per cent. of our claims for the same period last year.

"Constant opportunities have been presented for buying high-class bonds at most attractive prices, and our recent investments have been largely in securities of this class."

Dominion Life.

Thomas Hilliard, president of the Dominion Life Assurance Company, reports that his company is running well ahead of 1916. For the first nine months of this year new business closed amounted to $3,616,000, which is a gain of $861,000 over the same period of last year. Mr. Hilliard notes a distinct improvement in regard to the payment of premiums, while lapses show a reduction. The company's experience as regards death claims has been favorable, these netting $22,000 less than at the same date last year. War claims run about 30 per cent. of the total death claims.

"Some improvement is noted in the payment of interest on western mortgages," states Mr. Hilliard. "This improvement would doubtless be greater but for legislation in the West adverse to the rights of lending companies."

Imperial Life.

New business closed by the Imperial Life Assurance Co. for the first nine months of 1917 was $10,322,119, which is just $750 less than the new business taken in the twelve months of 1916. There was issued and revived $10,549,048. The total insurance in force at September 30 was $62,507,391, a gain of $7,423,261 since the first of the year.

"Touching on the investment situation, we have experienced no decided changes in the ordinary channels of investment," states J. F. Weston, managing director. "In the matter of mortgages, interest has been promptly met. We have had no great demand for money in this direction and have not sought fresh loans. It has been our policy to invest as largely as possible in Dominion Government war loans, believing that in this way we can best serve the interest of the mass of our policy-holders. While the yield under this class of security may not be equal to the interest on mortgages, it is very satisfactory, and we believe we have an indirect profit in enabling the Government to finance war orders which affect the general prosperity of Canada."

London Life

A most satisfactory gain in business is reported by the London Life Insurance Co. Ed. E. Reid, assistant manager, reports $11,750,000 new business issued for the nine months, as against $9,200,000 for the corresponding period of 1916. The gross amount of business now in force is $49,200,000, a gain of $9,400,000 for the year. Payments have been very satisfactory, the gain in cash income for the year being $300,000, or almost the same amount as for the whole of 1916.

"The lapses have been light, as is indicated by the gain of nearly $10,000,000 of business in force since 1st October last year. Surrenders are less than in 1916, notwithstanding the large increase in the volume of business in force.

"Death claims continue to be very heavy, due entirely to the company's action in relieving all old policies of restrictions regarding military service. The total war claims to the 1st October, 1917, are in excess of the amount paid during the whole of 1916. The claims resulting from ordinary causes, however, show a considerable reduction.

"There is little change in the investment situation, the bulk of the new investments being made in municipal bonds and war loans."

Mutual Life.

"Except as to war mortality, to which all companies are alike subjected, the results of our business for the nine months ending on the 1st instant, are highly satisfactory," states George Wegenast, managing director of the Mutual Life Assurance Co. of Canada. "Our total mortality, however, shows but a normal increase in that our experience on non-combatant lives has been exceptionally favorable.

"As regards new business, we have shared in the extraordinary activity common, I believe, to all Canadian companies. The issue for nine months was $16,923,381, as against $11,294,098 a year ago, showing an increase of 50 per cent. We shall probably close the year with an amount in excess of $20,000,000.

"The terminations by lapse and surrender are normal, indicating the desire and ability on the part of assurers to continue their policies.

"The investment situation in our experience continues unchanged. There is very little demand for mortgage loans, either from Ontario or from the Western Provinces. The Government loan boards in the West are no doubt responsible, to some extent, for this situation, as it appears that applications for loans are being received by them in great numbers. However, these boards, not having yet experienced the effect of the baneful legislation which the investing corporations have been subjected to, are perhaps keener for business than would otherwise be the case; for what with moratorium, seed grain, soldiers' relief and other acts, the old-time investors, suffering the effects therefrom, are glad to make way for these newcomers, and content themselves with the care of the business on hand, much of which is giving cause for anxiety. When an investor, believing he has a first mortgage upon real estate, finds that a paternal Government has placed a prior lien thereon, and does not even take the trouble to collect it, but allows the interest to accumulate, thereby destroying the investor's security, it looks like a bit of Russian socialism. Is it any wonder, then, that the companies with such experiences, are losing no sleep over the absence of business? I venture the prophesy that if these boards are made to suffer the same treatment as the companies, the enthusiasm over this new loaning scheme will wane!

"Meanwhile, fortunately, there has been another avenue of profitable investment: first, in our war bonds, and secondly, in municipals, which are becoming increasingly attractive as to yielding rate. There is, therefore, no anxiety to be apprehended in finding a safe and profitable outlet for funds."

National Life.

Reporting on results for the first nine months of the year, Albert J. Ralston, first vice-president and managing director, states that new applications aggregated $4,200,000, bringing the business in force on October 1 up to $22,600,000.

"Lapses have been fewer than in any year during the past seven," says Mr. Ralston. "Cash surrender values are running about the same as last year. Death claims show a large increase, total mortality for the first nine months of this year being in round numbers $200,000. Of this a goodly portion is made up of war claims. Payment of premiums was never more promptly made.

"Our company does not invest any of its funds in mortgages or real estate. The greater portion of our investments are made in government, city, town, county, township and school debentures and high class bank stocks. On October 1, we reported not a single dollar of interest or principal on any of our investments overdue or in arrears. This has been a continuous record for eighteen years."

North American Life.

"Our new business issued for the first nine months of this year is $9,100,000, being over $2,000,000 in excess of the same period last year," reports L. Goldman, president and managing director of the North American Life Assurance Company.

"Our premiums have been well paid this year and so far show a handsome increase over the like period last year. The terminations by lapses are $200,000 less, while the surrenders are about the same as last year. The death claims, however, are somewhat less, due doubtless to our death losses from war risks having been very heavy during the first nine months of last year.

"Our insurance in force is now about $64,700,000, showing an increase of $6,000,000, indicating that our total terminations for the nine months are about the same as those for 1916. The percentage to business issued, therefore, is a very pleasing reduction.

"Our experience in the investment branch of the business will likely be similar to that of the other companies, viz., that, having placed a very large amount of our surplus income in Government securities, we have had but a limited amount at our disposal to invest in mortgages or debentures."

Sun Life.

Arthur Wood, actuary of the Sun Life Assurance Co., states that the value of policies applied for during the first nine months of the year was $43,559,614. This compares with $36,177,650 for the like period of 1916. In the number of policies applied for there was a gain from 17,841 in 1916 to 21,242 in 1917. Business actually written up for the first six months of the year, figures for the third quarter not yet having been compiled totalled $30,133,573, as against $23,689,178 for the first six months of 1916. The increase of 1917 over 1916 will exceed that of 1916 over 1915, which was by far the largest in the company's history.

Confederation Life.

New business issued by the Confederation Life Association for the first nine months of the year, according to V. R. Smith, the actuary, aggregated $10,800,000, a gain of $2,700,000 over the corresponding period of 1916. Premium payments are reported as having been better met. while the showing with respect to lapses and surrenders, so far as Canadian business is concerned, is better. The company purposes closing out its Mexican business, which will have a certain influence on general results in this connection. The mortality continues to increase but not heavily. War claims are growing in volume as the struggle continues but ordinary death claims are not above normal, net claims being less.

Excelsior Life.

"New business written by this company for the first nine months of the year is over 50 per cent. greater than that for a similar period of 1916," states J. H. Black, managing director. "The business in force is now about $23,600,000.00. While the new business has been much greater, the terminations have been slightly less than last year to date and, from all appearances, will continue to be even lighter for the balance of the year. Premium payments have been fairly well met and we believe by the close of the year the company will show a proportionately smaller amount of outstanding premiums than ever before in its history. Policies surrendered for cash have decreased in amount and, while death claims, as is to be expected, have shown an increase, they are still well within the expected."

The former Dominion Trust Building in Vancouver, which was taken over by the Mutual Life Assurance Co., has been christened the Insurance Exchange. W. J. Twiss, resident agent of the Mutual Life, is now established in offices on the first floor.

The Equitable Life has secured the services of J. H. Campbell, formerly of the Mutual Life Assurance Co., as agency manager for the province of British Columbia.

CANADIAN ORDER OF CHOSEN FRIENDS
HEAD OFFICE HAMILTON CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

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W. F. Campbell, Grand Organizer. J. H. Bell, M.D., Grand Medical Ex.
HAMILTON - ONTARIO

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(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - - - $5,000,000.00
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Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
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Losses Paid Since Organization, Over - - - - - - - - - $40,000,000.00

"Keep the Home Fire Burning"
by placing a Monthly Income Policy in
The Dominion Life Assurance Company
It guarantees your wages after death.
Head Office, - Waterloo, Ont.

A Typical Great-West Life Result

Twenty Payment Life Policy for $5,000 issued 1897. Matures 1917. Age 35. Premium $168.70. Paid-up value at maturity $8,775.00.
—OR—
Cash value at maturity...$4,830.00
Total Premiums paid..... 3,374.00
Excess return $1,456.00

The policyholder was protected by $5,000 insurance during 20 years and at the end of that period the cash value constituted not only a return of all premiums but in addition a splendid surplus. Such remarkable results are worthy of attention.
Ask for rates at your own age, and examples of other maturities.

The Great-West Life Assurance Company
Dept. "G."
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ESTABLISHED 1849
BRADSTREET'S
Offices Throughout the Civilized World.
We Present a Record—Not a Prospectus.
Reputation gained by years of vigorous, conscientious and successful work.
Thomas C. Irving
General Manager Western Canada
TORONTO

REAL ESTATE AND MORTGAGES

PERMITS FOR NINE MONTHS SHOW A LOSS

September Values Fell Under 1916 Level and Carried Aggregate Down.

WESTERN CITIES THE CAUSE

Heavy Declines in Permits Issued By Vancouver, Winnipeg and Moose Jaw Bring Down the Grand Total.

Heavy declines in building permits in Vancouver, Winnipeg and Moose Jaw are responsible for depressing the nine months' total of Canadian building permits under the level of the corresponding period of 1916. Up to September, the 1917 figures kept ahead of the 1916 record, having in April an advantage of well over two million dollars. Since then, however, two or three months fell behind the same months of last year and, with nearly $500,000 to the bad in September, the nine months' total has dropped under the 1916 record.

Eastern Cities.

Eastern cities have all along been making a better showing than western cities and while, with the exception of Hamilton, where the September gain was $490,680, none of the increases were large, yet in the aggregate the result has been good. Both Montreal and Toronto made small gains, the former $45,502, the latter $6,999, and both continue to show improvement over 1916 for the nine months. Apart from Hamilton, the principal gain appears to have been registered by Sydney where the advance amounted to $83,553.

On the other hand the heaviest loss was recorded by Halifax, where only $91,600 in permits were issued this September as compared with $284,235 in September, 1916. Quebec lost $159,017, and Fort William $92,100. Other cities experiencing losses were Brantford, Ottawa, Windsor, Port Arthur and St. Thomas. In spite of this, however, the twenty-seven cities reporting showed an aggregate gain of $71,514 and a 9-months gain of $1,161,004.

Western Cities.

Turning to Western Canada, it is to be noted that cities generally are dropping behind last year's levels. Winnipeg went back by $137,050; Vancouver by $378,360 and Moose Jaw by $98,350. The best showing was made by Brandon with a gain of $48,102. Neither Calgary nor Saskatoon have so far reported. The net result for nine western cities is therefore to show a loss of $560,748 for September and $1,194,936 for the nine months.

OVER HALF MILLION.

Will of Late Harry Ryrie of Toronto Disposes of Large Estate.

The estate of the late Harry Ryrie of Toronto amounts to $706,970, according to an inventory prepared in connection with the probating of his will. The estate consists largely of stock holdings in Ryrie Bros., Limited, and central real estate in Toronto. It is constituted as follows:—Stocks, $212,065; bonds, $2,412; accounts receivable, rents and debts owing, $31,162; life insurance, $65,000; cash in bank, $2,239; furniture and automobiles, $6,500; mortgages, $47,897; realty, $339,692.

BUYS BANK BUILDINGS.

Bank of Nova Scotia Acquires Quebec Bank Property in Toronto.

The Bank of Nova Scotia have acquired the property at 35-37 King Street West, Toronto, adjoining their head office building and formerly occupied by the Quebec Bank. The property measures 40x95 feet. As the Bank of Nova Scotia owns the lot and building to the rear of this lot on Melinda Street, the purchase gives them a solid block, 80x170 feet, with frontages on King and Melinda Streets. It is likely the Quebec Bank building will be incorporated in the Nova Scotia Bank building, giving the latter one of the most commodious banking houses in Toronto.

SALE OF KING EDWARD.

Transaction Confirmed By Toronto Men Interested in Deal.

As stated in THE FINANCIAL POST last week, the King Edward Hotel, Toronto, has been sold to the United Hotels Company of America and from $150 to $200,000 is to be expended by the purchasers upon improvements. The Toronto men interested in the purchase are Lt.-Col. W. S. Dinnick of W. S. Dinnick & Co., and A. H. Martens of A. H. Martens & Co.

In a statement to the press, Colonel Dinnick made the following announcement regarding the purchase of the King Edward and its bearing on the erection of the proposed Devonshire Hotel.

"We decided upon the purchase of the King Edward Hotel because of a penalty we would have to pay now in the added cost of material and labor, if we proceeded with the Devonshire. I am satisfied that a good hotel will be a paying proposition in Toronto if properly managed. We have promised the Toronto public a first-class hotel, and as the Devonshire cannot be started until the conclusion of hostilities, we considered it advisable to operate the King Edward as a first-class institution and as an important link in the United Hotels Company of America chain."

Definite announcement is also made that the hotel will be under new management and be reorganized throughout.

The Edmonton *Bulletin* reports that apartments in Edmonton are at present at a premium.

The two vice-presidencies of the Manufacturers' Life Insurance Co. made vacant by the deaths of R. L. Patterson and G. P. Scholfield have been filled by the appointment of Lt.-Col. A. J. Wilkes of Brantford and C. C. Dalton of Toronto.

BUILDING PERMITS MONTH of SEPTEMBER

EASTERN CITIES.

	Sept., 1917	Sept., 1916	Change	9 months, 1917	9 months, 1916	Change
MARITIMES—						
Halifax	$ 91,600	$ 284,235 —	$192,635	$ 740,109	$ 987,656 —	$247,547
St. John	30,200	21,250 +	8,950	515,150	364,250 +	150,900
Sydney	98,343	14,790 +	83,553	313,532	92,365 +	221,227
QUEBEC—						
Montreal	250,958	205,456 +	45,502	3,852,665	3,787,010 +	65,655
Westmount	36,050	19,550 +	16,500	131,365	459,998 —	328,633
Quebec	84,616	243,633 —	159,017	1,877,626	1,882,530 —	4,904
Lachine	8,060	16,970 —	8,910	268,048	384,598 —	116,556
Maisonneuve	23,500	1,800 +	21,700	1,026,500	177,465 +	849,035
ONTARIO—						
Brantford	5,785	56,090 —	50,305	89,980	255,757 —	165,777
Chatham	14,850	13,225 +	1,625	306,322	857,074 —	550,752
Galt	15,410	13,905 +	1,505	97,010	210,745 —	113,735
Hamilton	658,070	167,390 +	490,680	2,348,790	1,919,696 +	429,094
Kingston	13,936	6,071 +	7,865	118,689	157,881 —	39,192
Fort William	10,500	102,600 —	92,100	637,015	393,450 +	243,565
London	59,395	39,710 +	19,685	574,830	732,425 —	157,595
Ottawa	97,050	135,100 —	38,050	832,092	1,073,450 —	241,358
Peterborough	980	16,145 —	15,165	128,058	116,085 +	11,973
North Bay	200	75 +	125	2,462	10,270 —	7,808
St. Thomas	22,285	46,345 —	24,060	73,580	110,821 —	37,241
St. Catharines	49,653	54,110 —	4,457	419,585	478,785 —	59,200
Stratford	37,993	15,963 +	22,030	204,959	178,190 +	26,769
Sudbury	44,100	1,125 +	42,975	107,800	140,375 —	32,575
Toronto	650,371	643,272 +	6,999	5,588,854	5,008,649 +	580,205
Welland	21,800	12,905 +	8,895	205,180	159,198 +	45,982
Windsor	67,810	116,625 —	48,815	987,135	1,088,580 —	101,445
Woodstock	5,656	4,310 +	1,346	82,683	79,933 +	2,750
Port Arthur	18,128	93,035 —	74,907	1,435,672	697,511 +	738,161
Total 27 E. cities	$2,417,199	$2,345,685 +	$ 71,514	$22,965,691	$21,804,687 +	$1,161,004

WESTERN CITIES.

	Sept., 1917	Sept., 1916	Change	9 months, 1917	9 months, 1916	Change
MANITOBA—						
Brandon	$ 53,800	$ 5,698 +	$ 48,102	$ 175,388	$ 221,348 —	$ 45,960
Winnipeg	94,800	231,850 —	137,050	2,083,950	2,195,300 —	111,350
ALBERTA—						
Edmonton	37,100	40,530 —	3,430	223,300	155,890 +	67,410
B. COLUMBIA—						
New Westminster	2,000	15,635 —	13,635	70,765	73,932 —	3,167
Vancouver	36,990	415,350 —	378,360	422,910	1,631,744 —	1,208,834
Victoria	14,500	2,775 +	11,725	79,705	83,300 —	3,595
Kamloops	.....	2,900 —	2,900	9,125	5,700 +	3,425
SASKATCHEWAN—						
Moose Jaw	10,850	109,200 —	98,350	256,060	299,945 —	43,885
Regina	22,700	9,550 +	13,150	353,370	202,350 +	151,020
Total 9 W. cities	$ 272,740	$ 833,488 —	$560,748	$3,674,573	$4,869,509 —	$1,194,936
Gr. total 36 cities	$2,689,939	$3,179,173 —	$489,234	$26,640,264	$26,674,196 —	$ 33,932

CHEAPER MEDIUM CLASS HOUSES FOR MONTREAL

New Regulations Permit Clapboard and Stucco in Outskirts.

UNDER $4,000,000 THIS YEAR

Permits to Sept. 30 Slightly Over Last Year—Increase of $45,000 for Past Month—Interview With City Architect

The building permits of the City of Montreal to date this year show a slight increase over the corresponding figures of last year—about $65,000—but considering the appreciation in the cost of construction the total really indicates a falling off. From January 1 to September 30, the permits issued by the City Architect, Alcide Chausse, amounted to $3,852,665, as compared with $3,787,010 last year. For the month of September the total was $250,958, compared with $205,456 last year. Up to date this year, there were 1,300 permits issued, where last year the number was 1,498.

Running in the neighborhood of five million dollars for the year the permits are about equal to those of the years 1903, 1904 and 1905. The record for Montreal was in the year 1913, when the total was $27,037,297, the nearest to this being in 1912, when the aggregate was $19,408,690. By 1914 this had dropped to $17,394,244, and in 1915 to $7,486,271. The record number of permits also was in 1913, when 3,794 were issued.

The figures for the last four years, including the month of September and the year to date compare as follows:—

Month of September.	Amount	Permits
1917	$250,958	128
1916	205,456	146
1915	350,896	179
1914	4,051,514	181
Jan. to Sept. 30.	**Amount**	**Permits**
1917	$3,852,665	1,300
1916	3,787,010	1,498
1915	4,512,258	1,618
1914	16,209,691	3,150

While the present high prices of materials and labor continue, the City Architect does not look for much increase in the building operations in Montreal, unless the recent amendments to the by-laws result in the erection of workmen's homes in the outskirts. By a special provision Cartierville has been exempted from the rather stringent regulations of the building code of the city, and this week one of the aldermanic representatives of Mercier Ward, which comprises Longue Pointe, introduced a by-law to make the new regulations applicable to that district.

"The object of the changes is to encourage the erection of detached houses, at a moderate price of around $2,500, for working men," explained the City Architect to THE FINANCIAL POST. "At present no buildings can be erected in the city limits except of 3-inch plank, brick or stone enclosed. Under the amended regulations, stucco can be used, or clap board—balloon frame scantlings—provided the houses are detached and twelve feet apart. If they are semi-detached a fire wall must divide them. This does not apply to stores; only to residential houses."

It is believed in some quarters that the changes will encourage the construction of single houses, or duplex flats, in place of the almost interminable rows of apartments that are seen in nearly all the older sections of the city, and "The Annex." Moreover, there may be a revival of building in the city as another immediate result, as the demand for medium-priced homes is very keen, and comparatively few have been erected since the outbreak of the war.

WESTERN CONDITIONS.

As Viewed Through the Eyes of an American Financier.

An interesting communication dealing with mortgage and real estate conditions in Western Canada has been received from Kingman N. Robbins, treasurer of the Associated Mortgage Investors, Rochester, N.Y., who deal largely in western mortgage loans. The farm mortgage business, according to Mr. Robins, is practically at a standstill, owing to the fact that the Liberty Loan commands the sole attention of investors in the United States at the present time.

"It seems to be the opinion of financial men generally," says Mr. Robins, "that this will continue to be the case throughout the war, and that private borrowings will be practically stopped.

"Western lands seem to be moving. I have sold a greater part of my wheat land this year, and am concentrating on the ranch near High River, in which I have an interest, as I feel that after the war, livestock products will be more likely to maintain their price than grain. However, it is all a lottery. It looks as though our economic foundations would be pretty thoroughly shattered after the war in any event; and business in this country is pretty thoroughly battening down the hatches to prepare for the storms, so far as such precautions can be taken, with the vessel already pitching pretty heavily in the present sea.

"From what I saw of the attitude of investors in Western Canada this summer, I should judge that the investment market is better in Canada to-day than it is in the United States; and I am wondering if your next war loan will put you more in the same position as ourselves."

J. J. HILL'S HOLDINGS.

List of Stocks and Bonds Owned By Late Railway Magnate.

The holdings of the late James J. Hill, Canadian-born railway magnate, who died May 29, 1916, are disclosed in the transfer tax report and indicate that Mr. Hill's estate is at least $25,000,000 less than has been estimated.

Appraiser Berwin's report disclosed for the first time the list of stocks and bonds owned by Mr. Hill. It shows that his stocks in banks throughout the United States were more valuable than all his railroad shares, the appraisal being $24,812,000. His railroad stocks were worth $7,299,400, and his railroad bonds $7,164,000. A block of 1,500 bonds of the Anglo-French loan is worth $1,500,000.

Mr. Hill's most valuable block of bank stock is 22,050 shares of the First National Bank of St. Paul, worth $2,050,000 par, and having an actual value much greater.

The list of stocks, the valuation of which is not given, included among the larger holdings the following:

50,000 Great Northern Railway preferred.
200 Heffelfinger Shoe Co.
500 First and Security National Bank, St. Paul.
3,200 Mille Lac Lumber Co.
9,950 Northwestern Trust Company, St. Paul.
890 St. Paul Cattle Loan Company.
1,250 Chase National Bank, New York.
4,100 First National Bank, New York.
1,000 National Bank of Commerce.
24,141 Northern Securities.
5,177 Chicago, Burlington & Quincy.
1,500 First National, Chicago.
1,000 Illinois Trust and Savings, Chicago.
528 Brazilian Iron and Steel Company.
10,000 Northern Pacific Railway.
170,000 Red Mountain Consolidated Mining Company.
1,548 Spokane & Inland Empire preferred.
50,000 Great Northern Ore Properties.

The larger bondholdings were the following:—

2.000 Eastern Ry. of Minnesota, each $1,000.
925 Gt. Northern, first and refunding, each $1,000.
253 Minneapolis Union Ry. Company, each $1,000.
2.250 Chicago, Burlington & Quincy, each $1,000.
138 Everett Railway & Electric Company, $1,000.
260 Gt. Northern, first and refunding, each $50,000.

The list of stocks and bonds includes some that are now of only nominal value, representing Mr. Hill's investments in enterprises in the North-west which have not been profitable.

DECIDED BY COURT.

Disposition of Insurance Payment Contested By Beneficiaries.

A question of law involving the meaning of the term "infants" contained in a life insurance policy was settled by the Court of Review in Montreal on an appeal. This judgment re-affirms the right of the grandchildren of the deceased to the amount that was set forth in the policy as payable to the deceased's wife and children. The case was one in which Dame M. Lee and another grandchild of the late John Lee, who died two years ago, sued the Aetna Life Assurance Company to recover $2,000 insurance due under their grandfather's policy, taken out in 1873. The payment was contested by the second wife of the deceased. The beneficiaries of the policy were John Lee's wife and her two children. She died and the two children also, but the court decided that their two children, the grandchildren of John Lee, were entitled to the insurance and not the second wife, even although she was the executrix of the estate and was to receive the income of the estate and pass the estate to the son of the second marriage. It was admitted that the word "infant" under French law included grandchildren, but claimed that the statute was passed under the regime of United Canada which did not give this meaning to "infant." The court found that the meaning of "infant" was that of the Quebec civil code. They also declared that the son of the second marriage was entitled to an equal share, one-third, in the policy, but after a family council he had renounced all claims. The company did not dispute payment, but paid the sum into court for adjudication.

The Quebec Railway, Light, Heat & Power Co., Limited

ANNUAL REPORT

Submitted at the Annual Meeting held in Montreal, on the 11th October, 1917.

DIRECTORS:

SIR RODOLPHE FORGET, M.P. - President
LORNE C. WEBSTER - - Vice-President
CHAS. A. LAVIGNE, PAUL GALIBERT, L. J. TARTE,
L. G. MORIN, ARTHUR PICARD, CHAS. DONOHUE,
W. J. LYNCH, General Manager.
ARTHUR LeMOINE, Secretary.

To the Shareholders:

Your Directors submit for your consideration the Annual Report for the fiscal year ended 30th June, 1917.

The Gross Earnings from Operation for the year were $1,832,031.93 as compared with $1,731,732.49 in 1916, an increase of:

$100,299.44

After adding miscellaneous income of $230,850.80, makes total revenue from all sources of:

$2,062,882.73

being an increase of:

$94,281.31

The Operating and Maintenance Expenses were $1,155,969.25 as compared with $1,029,750.96 in 1916, an increase of:

$126,218.29

The Fixed Charges and Taxes amount to:

$706,326.28

leaving a net surplus of:

$200,587.20

After making provision for obsolete cars on Montmorency and City Street Railway Divisions, discount account, etc., there remains a total at credit of Surplus Account, to date, of:

$684,572.49

The properties and plant of the Company and its various subsidiary companies have been maintained in the same high state of efficiency as heretofore, as evidence of which there was expended during the year on Maintenance Accounts the sum of $226,366.07.

During the year there has been expended on Capital Account the sum of $302,663.63.

It is with feelings of deep regret that your Directors have to report the death on the 4th July, 1917, of Mr. H. G. Matthews, General Manager of the Company. They also regret to announce the death in December last of the Honorable Robert Mackay, who has been a Director of this Company since its organization.

At a meeting of the Directors held on the 18th July, 1917, Mr. W. J. Lynch, Treasurer and Comptroller, was appointed General Manager.

The Accounts of the Company have been duly audited and certified by Messrs. P. S. Ross & Sons, Chartered Accountants, of Montreal.

In conclusion, the Directors desire to express their appreciation of the efficient services rendered by the officials and staff of the Company.

Respectfully submitted on behalf of the Directors.

R. FORGET, President.

STATEMENT OF ASSETS AND LIABILITIES at 30th June, 1917

ASSETS.

Investments, Stocks, Bonds and Interests in other Corporations	$19,193,017 70
Treasury Bonds	1,611,600 00
Advanced to Controlled Companies for Construction, etc	1,581,655 87
General Construction, etc.	528,820 70
Cash on hand and in Banks	127,072 71
Accounts and Bills Receivable	437,259 69
Stores and Supplies on hand	170,866 18
Prepaid Expenses, etc.	21,054 13
	$23,671,346 98

LIABILITIES.

Capital Stock		$10,000,000 00	
Less: Unissued		500 00	
			$ 9,999,500 00
Bonds		14,600,000 00	
Less: In escrow to redeem bonds of subsidiary Companies	$3,659,000 00		
Less Cancelled	144,000 00		
		3,803,000 00	
			10,797,000 00
Bills Payable			221,486 25
Accounts Payable, etc.			601,090 26
Sundry Loans			469,947 13
Accrued Interest			120,083 16
Deferred and Unclaimed Interest			665,297 89
Accrued Charges			52,125 43
General Suspense and Reserves			60,244 37
Surplus			684,572 49
			$23,671,346 98

Correct:
(Signed) H. K. TENNENT,
Comptroller.

Quebec, 1st September, 1917.

The President and Shareholders,
of the Quebec Railway, Light, Heat & Power Co., Ltd., Quebec

Gentlemen:—

We certify that the foregoing Statement in our opinion is drawn up so as to exhibit correctly the position of your Company as shown by the books of account, vouchers, records and documents examined by us.

The value of stores and supplies on hand have been substantiated by Inventories certified to by your officials.

The cash on hand, trust funds, monies on deposit, have been verified by personal inspection of certificates.

The disbursements as shown by the books have been supported by satisfactory vouchers.

The Investments, Stocks, Bonds and Interest in other corporations includes Stocks and Bonds of the Quebec and Saguenay Railway. The interest due and unpaid on these Bonds is included in the Accounts Receivable.

The above securities, together with the Treasury Bonds which have been placed as collateral against advances to the company, have been verified by certificates received from the parties with whom they are pledged.

In the Profit and Loss Account no depreciation has been provided for on the permanent assets of the Subsidiary Companies.

Respectfully submitted,
(Signed) P. S. ROSS & SONS,
Chartered Accountants

Montreal, 1st Sept., 1917.

City of Westmount
Canada

Sinking Fund Commission.

The Sinking Fund Commissioners of the City of Westmount desire to purchase approximately $15,000 of Municipal, Provincial or Dominion Debentures.

Sealed offers, marked "Sinking Fund Commissioners of Westmount," will be received at the office of the Montreal Trust Company until noon on Monday the 29th of OCTOBER, 1917.

A full description of bonds offered for sale is essential. Delivery of the bonds to the Commissioners must be made on 1st of November, 1917.

ARTHUR F. BELL,
Secretary-Treasurer

Northern Crown Bank
HEAD OFFICE, WINNIPEG
Capital (authorized) - $6,000,000
Capital (paid up) - - $1,431,200
Rest and Undivided Profits $848,554
DIRECTORS.
President, Capt. Wm. Robinson.
Vice-President, Jas. H. Ashdown.
W. R. Bawlf, A. McTavish Campbell, Sir Douglas Cameron, K.C.M.G. E. F. Hutchings, John Stovel.
General Manager - Robert Campbell
A general Banking Business transacted in all Branches.
Accounts of Individuals, Firms, Corporations and Societies carried on most favorable terms. Special care given to Savings Bank Accounts.
V. F. CRONYN
Manager - - - - Toronto Branch

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Western Representatives of
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Qualified Experts in all Lines
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Chartered Accountants.
807 Lumsden Bldg., Toronto

STOCKS FOR SALE
25 Shares Dominion Sugar.
50 Shares Volcanic Oil & Gas.
30 Shares Dominion Permanent Loan.
J. E. CARTER
Investment Broker, GUELPH, ONT.

ERICKSON PERKINS & CO.
Members New York Stock Exchange
STOCKS AND BONDS
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Chartered Trust and Executor Company

accepts funds for investment in selected first mortgages and gives its own Guarantee of repayment of principal and interest. This guarantee provides all the essentials of a high-class investment—good interest return, absolute promptness of payment, and security of principal.

Chartered Trust and Executor Company
61 Yonge St. TORONTO

CONSCRIPTION OF WEALTH WILL NOT PAY FOR WAR

London Gives Thought to a Much-discussed Question.

UPHEAVAL WOULD RESULT

Conversion of Capital Would Require a Colossal Creation of Credit and Attendant Depreciation of Values Would be Disastrous.

LONDON.—The idea that the war can be paid for by a levy on the capital wealth of the country is so engaging that its popularity with the advanced school of political thought is not altogether surprising. The subject was brought forward at the recent British Trades Union Congress in this country, and the belief expressed by some of the trade union leaders that the wealth of a section of the community could be used advantageously to eliminate the war debt or to pay the current war expenses brought a sharp rejoinder from the Chancellor of the Exchequer. He, at any rate, does not believe in the practicability of this particular specific for the financial and economic ills which the conflict has produced, and, although not totally rejecting the idea, was emphatic in his disapproval of any such revolutionary procedure while the war still absorbs every attention.

Bonar Law based his arguments chiefly on the danger to the credit structure should any endeavor be made to interfere with its foundations, and could clearly foresee a serious derangement of the fiscal machinery if the experiment were tried of causing capital to do something which it was never intended to do, and which, to the majority of people, must seem quite impracticable. There are no means of judging the aggregate wealth of the United Kingdom, and that it is variously estimated at £16,000,000,000 to £24,000,000,000, shows clearly that the calculations are almost wholly guesswork.

No doubt there is something alluring in the suggestion that those fortunate enough to possess capital should hand over 3 or 4 shillings in the pound sterling to the Government, who would use the fund to pay off investors who had lent it money for the war, but it seems doubtful if those who are loudest in their advocacy of the plan really troubled to consider the question in any but the most superficial light. It is evidently believed that a vast difference exists between capital and income, which, in reality, is not the case.

Capital Really Only Income.

Capital is only income, the product of energy, invested in a permanent form, and, when it has been so employed, it cannot be used afresh for some totally new purpose. A great deal of confusion exists regarding wealth, or capital, and what actually represents it. The capitalized possessions of any nation consist of land, railways, buildings, works of art, and the heap of miscellaneous belongings of a modern community, and such other assets as it may have acquired in countries in need of development. "He's worth a lot of money and could easily spare a part of his fortune," is a remark frequently heard from the less thinking. And it is undoubtedly the popular idea that "a man with money" always has it readily accessible; in fact, that it consists of currency, rendering perfectly simple the business of applying it in any direction, either voluntarily or under compulsion.

It must be largely due to the fact that such notions are entertained that the capital levy, or tax on wealth, finds so many adherents, and until they can be dispossessed of such uneconomic doctrines the theory will continue to find many supporters. There are those who believe that the current war expenditure might be met by a tax on capital, and others who think the business of paying off the war debt when the contest is ended can be accomplished by similar means. But both parties seem to be indulging in an entirely false reasoning. Immovable, or even portable, assets cannot be used to pay daily maturing liabilities or to liquidate accumulated debts; not, at least, by any financial method which would be unlikely to cause a great deal of mischief.

Those possessed of property might be compelled by the Government to pay more taxation than their less fortunate, or perhaps only less thrifty, neighbors, but they cannot accomplish that with any capital that has been already allocated. They would have to utilize income. No method exists by which property (securities represent property) can be turned back into liquid capital and applied to a fresh purpose. There can be no liquidation of assets in the sense referred to, only an exchange for currency, real or created, and if any sort of value is to be maintained, there must be a rigid limit to this sort of conversion, and no great turnover of property is possible, such as would be necessary to meet war liabilities from past accumulations. To give property owners cash, or currency, in any transferable form for their possessions would need a colossal creation of credit, which only a Government controlling a great money-distilling institution could undertake, and the immediate result would almost inevitably be an economic upheaval which would knock the bottom out of values as we now know them.

Current Income Must Pay for War.

It is demonstrably true that the war can be paid for only with current income, a man giving his energies and receiving his reward from what he has produced. War expenditure is met by the continuous movement of income, and the size of that income is dependent on the nature of the effort which the nation is required to put forth. The condition of inflation which results, and which some writers cannot refrain from bringing into the discussion, is hardly relevant: the same reasoning would seem to apply if the alternative of paying for the war after it is over by a tax on capital is the solution to be applied.

There does not seem to be any feasible plan by which a portion of the existing wealth can be thrown into a huge pool and used to cancel war securities. Its conversion into some form of money would be necessary, and what the situation would be after the State had collected a vast amount of property, and distributed the equivalent of its assumed value to the holders of war securities is beyond imagining. There is the suggestion that under the plan the holders of war debt would merely surrender their bonds, but to differentiate between various classes of property would only make confusion worse confounded. The valuation alone would be a work of years, and might be rendered impossible by the modification of values to which the attempt to confiscate capital would inevitably lead, and by fluctuations resulting from general causes.

The notion that the principle of the tax on wealth is sound, aside from its practicability, doubtless springs from the old antagonism between capital and labor and the not unnatural belief that if the manhood of the country is conscripted so should be its wealth. But as regards the latter there is no real analogy, and the position of the working classes would not be bettered by the confiscation of property. It may be possible to make out a case for special tax on the so-called wealthier classes, but that merely means an additional impost on income, to which all paths inevitably return, and is not quite what the capital taxers think they want. And as yet no argument has been adduced in support of a theory that the possession of capital is unlawful or immoral. If a man is not to be allowed the fruits of his thrift, a serious blow will be struck at the foundations on which a modern community must build. Accumulation and investment would be discouraged, and a premium placed on waste and extravagance, producing eventually hopeless financial disruption. What has been spent on the war must be paid for by current and future efforts and increased production. The liabilities cannot be juggled out of existence.

AUTOBUS EXPERIMENT IN THE MARITIMES

System in Dartmouth, N. S., has Not as Yet Proven to be Very Successful.

Special to The Financial Post

HALIFAX.—The Dartmouth Autobus Company some time ago sought an exclusive franchise to operate cars in Dartmouth, N.S., a town on the eastern side of Halifax harbor, and when the legislature declined to give this privilege (opponents of the clause contending it would be unfair to other companies and that its effect might be more far-reaching than appeared at first glance) put on three autobuses, trusting to be able to make a success of the venture with no special concessions. The cars were operated for the summer, but, except on the line to the new works of the Imperial Oil Company at Woodside, they did not pay. Two of the big cars are now idle, but the company keeps up the service to the oil works, where 1,400 men have been at work for more than a year in the construction of a storage and refinery plant which will make it. the officials say, the largest oil distributing plant in Canada. When the works are fully completed they will have a maximum output of 10,000 barrels daily. The Dartmouth Autobus Comany, while finding the conducting of business no easy matter, is hopeful that there will be better times in the future, and that the capital expended in the enterprise may yet prove profitable.

CANADA IS NOT ALLOWED TO BID FOR RAW SUGAR

Refineries Face Difficulties as Results of Effort at Regulation.

A PRICE PROBLEM TOO

President McGibbon of Atlantic Refineries Says That on Present Basis Sugar Could Not Be Produced at Price to Trade.

A peculiar situation has developed in the case of all the Canadian sugar refineries as a result partly of the scarcity of Cuban raws, and partly the natural working out of the scheme of control by the International Sugar Commission. Speaking to THE FINANCIAL POST D. Lorne McGibbon, president of Atlantic Sugar Refineries, stated that orders had been issued to all the refineries of Canada that they must not bid for the balance of the Cuban crop that was now in the United States. The International Commission was meeting this week and it was expected that an official announcement would be made that they had taken control of the raws, and would allocate these to the various refineries. In the meantime the supply was cut off.

Mr. McGibbon stated that in any case the price of raws in New York to-day made it impossible for the Canadians to produce sugar for nine cents, the present price to the retailer. Mr. McGibbon's estimate of the costs of manufacture, etc., was as follows:

Raws, f.o.b. New York, per cwt.	$6.00
Duty	1.37½
Freight	.18
Cost of refining	1.50
Allowance to wholesaler	.33
Total cost	$9.38½

Or, in order to sell at $9.00, the cost of raws must not exceed $5.60 to $5.70 per cwt.

The salesmen of Atlantic Sugar have all been withdrawn from the road owing to the small quantity of sugar that is on hand.

One refinery has no more stocks on hand to sell, and will be dependent on the Commission for the rest of the year.

It is evident under present circumstances that the output of the Canadian refineries will be curtailed during the next two months, or perhaps three, as it is felt that it will be near the first of February before the new Cuban crop, a little late as it is this season, has been allocated by the Commission and finds its way to Canada. The refiners believe that the price of the 1918 crop will be fixed at a point that will mean a reduction in the present price of sugar, and that in the United States at least the price of the refined will be fixed. Negotiations are still in progress with the Food Controller at Ottawa. It may be taken for granted, therefore. that there will be a limit to the net earnings of the Canadian refineries next year, and that their export business may be cut down considerably. The fact that sugar prices in Canada are remaining as they are is attributed to pressure by the Food Controller.

GARY AND THE WAR.

Steel King Speaks of American National Obligations.

At the reception tendered the Imperial Japanese Commission by the city of New York, Judge Elbert H. Gary, speaking about the war, said that the United States will measure up to all her obligations in this international crisis. "She is mobilizing all the resources of the country for war purposes," he added. "She can, within three or four years, furnish 15,000,000 men, well trained and fully equipped for battle; and she can, within the same time, provide $100,000,000,000 without crippling her financial strength or interrupting her industrial progress. If necessary, she will do both.

"We have no lives to spare, no money to waste. We would conserve life and property whenever possible within the limits of duty and propriety. But we are happy that, at this particular time, we can be of substantial aid in defence of principles which lie at the foundation of civilization and moral progress. We are serious and sorrowful; yet we are determined and we are not despondent. And we are a united people, almost without exception supporting the President in the endeavor to administer the affairs of Government creditably and impartially. If there are any Americans who, in these days of trouble and peril, are not entirely loyal to our country, or are failing to support the President and his administration, heart and soul, such recalcitrant individuals are and for all time will be, throughout the land, the objects of pity and contempt."

PRODUCTION

Increased effort and efficiency in labor, more economy and less waste in living, building up capital by harder work and greater savings, will enrich you and your country. The men and women at home must produce more to cover war's waste.

It is easier to make money than to save it. A Savings Account at The Bank of Toronto will help save what your increased effort provides.

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INCORPORATED 1855
Head Office - - - TORONTO, CANADA
Paid-Up Capital - $5,000,000 Reserve Funds - - $6,508,000
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J. Henderson, Vice-President
William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, A. H. Campbell, Brig.-Gen. F. S. Meighen, J. L. Englehart, Wm. I. Gear, Paul J. Myler
Thos. F. How, General Manager John R. Lamb, Supt. of Branches
D. C. Grant, Chief Inspector
Bankers.—NEW YORK—National Bank of Commerce. CHICAGO—First National Bank. LONDON, ENG.—London City and Midland Bank, Limited.

A Time To Be Cautious

It is no doubt a time to be cautious. But it is possible to be over cautious. There is no reason why a man should leave his money on deposit when he could as easily and with equal safety obtain 5% by investing it in

Mortgage Corporation 5% Debentures

At the present time, Mortgage Corporation 5% Debentures form a profitable and safe investment for idle money.

Interest at 5% is payable in cash at your local bank on the day it is due. Principal on the date agreed upon.

The busy or inexperienced investor has no worry, no watching of values and markets. His security never shrinks.

Not a dollar has ever been lost by an investor in these Debentures.

An interesting booklet about "PROFITS FROM SAVINGS," which gives some very valuable advice, will be sent free on request. Write for it to-day.

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Branch Offices:
AYR BROCKVILLE CHATHAM
ELMIRA NEW HAMBURG

When there is no Will

the law takes command, and regardless of your desires or the needs of your heirs, settles how your property shall be divided. One inflexible rule applies in every such case.

Whether you have little or much, make a will—and make it NOW.

Our booklet, "I Give, Devise and Bequeath," may be obtained at our office or will be mailed on request.

THE UNION TRUST CO., Limited
TORONTO
HENRY F. GOODERHAM, President J. M. McWHINNEY, General Manager

THE STERLING BANK OF CANADA

The trinity of service—intelligence, efficiency and courtesy—is prominently remarked in all transactions of the Sterling Bank.

The Weyburn Security Bank
Chartered by Act of the Dominion Parliament.
HEAD OFFICE, - WEYBURN, SASK.
NINETEEN BRANCHES IN SASKATCHEWAN.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
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Cor. Queen East and Ontario
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Cor. Bloor West and Bathurst
236 Broadview, cor. Wilton Ave.
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Military Camp, Exhibition Park
Branches and Connections Throughout Canada